

Dave Yost • Auditor of State



**WYOMING CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Wyoming City School District  
Hamilton County  
420 Springfield Pike  
Wyoming, Ohio 45215

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wyoming City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wyoming City School District, Hamilton County, Ohio, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Dave Yost**  
Auditor of State

March 19, 2013

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)**

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The discussion and analysis of Wyoming City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- Net assets of governmental activities increased \$384,973 which represents a 2.3% increase from 2011.
- General revenues accounted for \$23,259,907 in revenue or 90.8% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,348,965 or 9.2% of total revenues of \$25,608,872 .
- The District had \$25,223,899 in expenses related to governmental activities; \$2,348,965 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$23,259,907 were also used to provide for these programs.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, Debt Service Fund and the Building Fund are the major funds of the District.

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
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**Government-wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Government-wide Financial Statements answer this question. These statements include *all assets* and *liabilities* using the 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 District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities. All of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds is presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

**Governmental Funds** Most of the 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 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.

**Fiduciary Funds** Fiduciary Funds are used to account for resources held for the benefits 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 District's own programs.



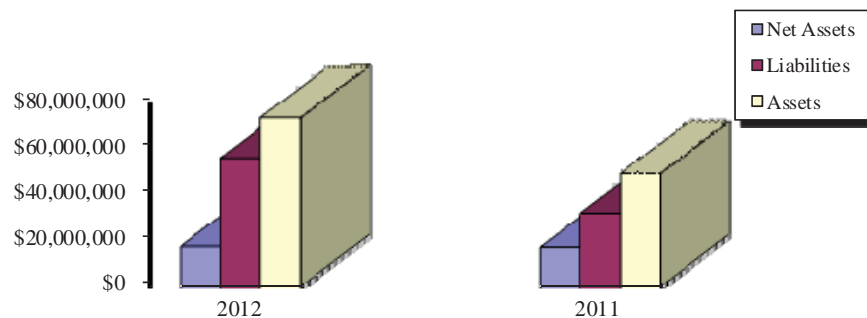
**Wyoming City School District  
Management's Discussion and Analysis  
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(Unaudited)**

**The District as a Whole**

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2012 compared to 2011:

Table 1  
Net Assets

	Governmental Activities	
	2012	2011
<b>Assets:</b>		
Current and Other Assets	\$52,160,130	\$27,089,807
Capital Assets	21,279,556	21,955,444
<b>Total Assets</b>	<b>73,439,686</b>	<b>49,045,251</b>
<b>Liabilities:</b>		
Other Liabilities	8,882,511	8,793,580
Long-Term Liabilities	47,083,789	23,163,258
<b>Total Liabilities</b>	<b>55,966,300</b>	<b>31,956,838</b>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	988,025	699,662
Restricted	3,446,612	3,413,214
Unrestricted	13,038,749	12,975,537
<b>Total Net Assets</b>	<b>\$17,473,386</b>	<b>\$17,088,413</b>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$17,473,386. Current assets increased mainly due to an increase in the District's bank balance in fiscal year 2012 as compared to fiscal year 2011 due to the proceed received from the District issuing a \$25,037,000 bond anticipation note. Long-term liabilities increased due to the aforementioned bond anticipation note. Total net assets increased from 2012 to 2011, due to the District making regular scheduled debt payments, which made the overall increase in total liabilities lower than the increase in total assets (due to the issuance of the bond anticipation note mentioned earlier).

At year-end, capital assets represented 29% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2012, was \$988,025. These capital assets are used to provide services to the students

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)**

and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$3,446,612 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Table 2 shows the changes in net assets for fiscal years 2012 and 2011.

Table 2  
Changes in Net Assets

	Governmental Activities	
	2012	2011
Revenues:		
Program Revenues		
Charges for Services	\$1,408,184	\$1,331,443
Operating Grants, Contributions	940,781	1,613,828
General Revenues:		
Income Taxes	6,207,483	5,870,201
Property Taxes	10,257,346	10,482,992
Grants and Entitlements	6,426,343	6,539,899
Other	368,735	486,481
Total Revenues	<u>25,608,872</u>	<u>26,324,844</u>
Program Expenses:		
Instruction	14,401,448	14,023,335
Support Services:		
Pupil and Instructional Staff	3,051,604	2,846,671
School Administrative, General		
Administration, Fiscal and Business	2,753,802	2,769,588
Operations and Maintenance	1,938,695	2,217,921
Pupil Transportation	467,559	483,774
Central	140,147	144,944
Operation of Non-Instructional Services	603,904	694,413
Extracurricular Activities	756,556	754,760
Interest and Fiscal Charges	1,110,184	1,058,696
Total Program Expenses	<u>25,223,899</u>	<u>24,994,102</u>
Change in Net Assets	384,973	1,330,742
Beginning Net Assets	<u>17,088,413</u>	<u>15,757,671</u>
Ending Net Assets	<u>\$17,473,386</u>	<u>\$17,088,413</u>

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)**

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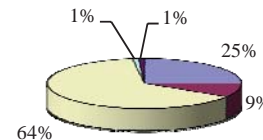
**Governmental Activities**

The District revenues are mainly from three sources. Income taxes, property taxes levied for general, debt service, capital project purposes, and grants and entitlements comprised 89% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. 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 were 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 Ohio districts dependent upon property taxes are 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 64% of revenue for governmental activities for the District in fiscal year 2012.

Revenue Sources	2012	Percent of Total
General Grants	\$6,426,343	25%
Program Revenues	2,348,965	9%
General Tax Revenues	16,464,829	64%
Investment Earnings	117,744	1%
Other Revenues	250,991	1%
	<u>\$25,608,872</u>	<u>100%</u>



Instruction comprises 57.1% of governmental program expenses. Support services expenses were 33.1% of governmental program expenses. All other expenses including interest expense were 9.8%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Income tax revenues increased mainly due to an increase in income tax receipts received in fiscal year 2012 as compared to fiscal year 2011. Property tax revenues decreased mainly due to a decrease in property tax receipts in fiscal year 2012 as compared to fiscal year 2011. Instructional expenses increased due to an increase in personnel costs and general inflationary costs.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government 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.

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)**

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Instruction	\$14,401,448	\$14,023,335	(\$13,670,882)	(\$12,753,998)
Support Services:				
Pupil and Instructional Staff	3,051,604	2,846,671	(2,379,092)	(2,524,230)
School Administrative, General				
Administration, Fiscal and Business	2,753,802	2,769,588	(2,753,802)	(2,769,588)
Operations and Maintenance	1,938,695	2,217,921	(1,876,797)	(1,778,398)
Pupil Transportation	467,559	483,774	(421,886)	(390,846)
Central	140,147	144,944	(131,147)	(133,569)
Operation of Non-Instructional Services	603,904	694,413	5,198	(49,528)
Extracurricular Activities	756,556	754,760	(536,342)	(589,978)
Interest and Fiscal Charges	1,110,184	1,058,696	(1,110,184)	(1,058,696)
Total Expenses	\$25,223,899	\$24,994,102	(\$22,874,934)	(\$22,048,831)

**The District's Funds**

The District has three major governmental funds: the General Fund, Debt Service Fund and the Building Fund. Assets of these funds comprised \$50,101,130 (96%) of the total \$52,075,770 governmental funds assets.

**General Fund:** Fund balance at June 30, 2012 was \$14,393,994. The fund balance remained relatively consistent in 2012 as compared to 2011.

**Debt Service Fund:** Fund balance at June 30, 2012 was \$1,996,503. The fund balance remained relatively consistent in 2012 as compared to 2011.

**Building Fund:** Fund balance at June 30, 2012 was \$24,847,372. The fund balance increased due to the proceeds from the bond anticipation note.

**General Fund Budgeting Highlights**

The 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 2012, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$20,925,220, compared to original budget estimates of \$20,925,220.

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)**

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**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2012, the District had \$21,279,556 invested in land, buildings and improvements and equipment. Table 4 shows fiscal year 2012 balances compared to fiscal year 2011:

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

	Governmental Activities	
	2012	2011
Land	\$629,493	\$629,493
Buildings and Improvements	20,186,012	20,943,150
Equipment	464,051	382,801
Total Net Capital Assets	<u>\$21,279,556</u>	<u>\$21,955,444</u>

The decrease in capital assets is due to depreciation exceeding additions.

See Note 6 in the notes to the basic financial statements for further details on the District's capital assets.

*Debt*

At June 30, 2012, the District had \$45,966,449 in bonds and capital leases payable, \$984,985 due within one year. Table 5 summarizes outstanding debt at year end.

Table 5  
Outstanding Debt, at Year End

	Governmental Activities	
	2012	2011
General Obligation Bonds:		
1998B School Improvement	\$3,725,000	\$3,725,000
2006 Refunding Bonds:		
Current Interest Bonds -		
School Improvement	12,065,000	12,065,000
Capital Appreciation Bonds - Principal	1,389,247	2,005,000
Capital Appreciation Bonds - Interest Only	637,918	758,392
Premium on 2006 Refunding Bonds	697,184	755,282
2012 Bond Anticipation Notes	25,037,000	0
Capital Leases	2,415,100	2,705,500
Total Outstanding Debt at Year End	<u>\$45,966,449</u>	<u>\$22,014,174</u>

See Note 7 and 9 in the notes to the basic financial statements for further details on the District's outstanding debt.

**Wyoming City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)**

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**For the Future**

The Ohio Department of Education explains the school funding model in Ohio as follows:

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount or the charge off was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees.

The 2010-11 biennial budget (Am. Sub. H.B. 1 of the 128th General Assembly), established a new funding formula called the Evidence-Based Model (EBM). Am. Sub. H.B. 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula for the 2012-13 biennial budget as a new school funding formula is developed. The temporary formula is called the Bridge formula.

The Bridge formula provides for a simplified approach to fund distribution based on FY 2011 total calculated amounts on per pupil basis for both FY 2012 and FY 2013. The FY 2013 funding calculation involves the use of ADM and funding factors from FY 2011 applied to FY 2013 ADM with additional adjustments utilizing charge-off property valuation data in FY 2011. Based on this approach in FY 2013, school districts are provided with total funding amounts without any calculation for various education or support services such as special education, gifted education or transportation.

Wyoming remains concerned about the instability of the state and local economy and the political ramifications of a new funding model. We plan carefully and prudently to provide resources to meet the needs of our students but the uncertainty of a new funding model represents some challenges in our planning. We will continue to diligently review expenditures.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Wyoming City School District, 420 Springfield Pike, Wyoming, Ohio 45215.

Wyoming City School District  
Statement of Net Assets  
June 30, 2012

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$38,685,018
Receivables:	
Taxes	13,231,467
Accounts	7,150
Interest	52,349
Intergovernmental	36,958
Deferred Bond Issuance Costs	144,160
Inventory	3,028
Nondepreciable Capital Assets	629,493
Depreciable Capital Assets, Net	<u>20,650,063</u>
Total Assets	<u>73,439,686</u>
Liabilities:	
Accounts Payable	108,517
Accrued Wages and Benefits	2,335,748
Accrued Interest Payable	227,852
Contracts Payable	1,302
Unearned Revenue	6,209,092
Long-Term Liabilities:	
Due Within One Year	1,191,204
Due In More Than One Year	<u>45,892,585</u>
Total Liabilities	<u>55,966,300</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	988,025
Restricted for:	
Debt Service	1,972,205
Capital Projects	1,251,244
Other Purposes	20,527
District Managed Student Activities	79,164
Auxiliary Services	56,923
Federal Grants	66,549
Unrestricted	<u>13,038,749</u>
Total Net Assets	<u><u>\$17,473,386</u></u>

See accompanying notes to the basic financial statements.

Wyoming City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Assets Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$11,922,352	\$314,045	\$0	(\$11,608,307)
Special	2,390,587	23,065	265,109	(2,102,413)
Vocational	61,497	0	9,403	(52,094)
Other	27,012	118,944	0	91,932
<b>Support Services:</b>				
Pupil	1,717,309	262,076	0	(1,455,233)
Instructional Staff	1,334,295	0	410,436	(923,859)
General Administration	161,592	0	0	(161,592)
School Administration	1,639,714	0	0	(1,639,714)
Fiscal	951,388	0	0	(951,388)
Business	1,108	0	0	(1,108)
Operations and Maintenance	1,938,695	61,898	0	(1,876,797)
Pupil Transportation	467,559	29,089	16,584	(421,886)
Central	140,147	0	9,000	(131,147)
Operation of Non-Instructional Services	603,904	378,853	230,249	5,198
Extracurricular Activities	756,556	220,214	0	(536,342)
Interest and Fiscal Charges	1,110,184	0	0	(1,110,184)
<b>Total Governmental Activities</b>	<b>\$25,223,899</b>	<b>\$1,408,184</b>	<b>\$940,781</b>	<b>(22,874,934)</b>

<b>General Revenues:</b>	
Income Taxes	6,207,483
<b>Property Taxes Levied for:</b>	
General Purposes	8,391,202
Debt Service Purposes	1,470,254
Capital Projects Purposes	395,890
Grants and Entitlements not Restricted	6,426,343
Unrestricted Contributions	112,796
Investment Earnings	117,744
Other Revenues	138,195
<b>Total General Revenues</b>	<b>23,259,907</b>
<b>Change in Net Assets</b>	<b>384,973</b>
<b>Net Assets Beginning of Year</b>	<b>17,088,413</b>
<b>Net Assets End of Year</b>	<b>\$17,473,386</b>

See accompanying notes to the basic financial statements.



Wyoming City School District  
Balance Sheet  
Governmental Funds  
June 30, 2012

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$10,749,795	\$1,396,503	\$25,000,982	\$1,537,738	\$38,685,018
<b>Receivables:</b>					
Taxes	10,868,903	1,968,388	0	394,176	13,231,467
Accounts	7,150	0	0	0	7,150
Interest	49,609	0	0	2,740	52,349
Intergovernmental	0	0	0	36,958	36,958
Interfund	59,800	0	0	0	59,800
Inventory	0	0	0	3,028	3,028
<b>Total Assets</b>	<b>21,735,257</b>	<b>3,364,891</b>	<b>25,000,982</b>	<b>1,974,640</b>	<b>52,075,770</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	49,626	0	0	58,891	108,517
Accrued Wages and Benefits	2,326,485	0	0	9,263	2,335,748
Compensated Absences	1,125	0	0	0	1,125
Accrued Interest Payable	0	0	152,308	0	152,308
Contracts Payable	0	0	1,302	0	1,302
Interfund Payable	0	0	0	59,800	59,800
Deferred Revenue	4,964,027	1,368,388	0	272,044	6,604,459
<b>Total Liabilities</b>	<b>7,341,263</b>	<b>1,368,388</b>	<b>153,610</b>	<b>399,998</b>	<b>9,263,259</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	3,028	3,028
Restricted	0	1,996,503	24,847,372	1,618,508	28,462,383
Assigned	2,169,594	0	0	0	2,169,594
Unassigned	12,224,400	0	0	(46,894)	12,177,506
<b>Total Fund Balances</b>	<b>14,393,994</b>	<b>1,996,503</b>	<b>24,847,372</b>	<b>1,574,642</b>	<b>42,812,511</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$21,735,257</b>	<b>\$3,364,891</b>	<b>\$25,000,982</b>	<b>\$1,974,640</b>	<b>\$52,075,770</b>

See accompanying notes to the basic financial statements.

Wyoming City School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2012

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Total Governmental Fund Balance		\$42,812,511
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		21,279,556
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	297,090	
Interest	36,519	
Intergovernmental	36,958	
Other	<u>24,800</u>	
		395,367
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(75,544)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(1,116,215)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		144,160
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(45,966,449)</u>
Net Assets of Governmental Activities		<u><u>\$17,473,386</u></u>

See accompanying notes to the basic financial statements.

Wyoming City School District  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$14,588,664	\$1,468,836	\$0	\$395,711	\$16,453,211
Tuition and Fees	735,251	0	0	0	735,251
Investment Earnings	75,601	0	0	7,544	83,145
Intergovernmental	6,347,229	221,886	0	1,181,981	7,751,096
Extracurricular Activities	11,969	0	0	167,020	178,989
Charges for Services	0	0	0	432,047	432,047
Other Revenues	304,158	0	0	8,731	312,889
<b>Total Revenues</b>	<b>22,062,872</b>	<b>1,690,722</b>	<b>0</b>	<b>2,193,034</b>	<b>25,946,628</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	11,388,154	0	0	46,867	11,435,021
Special	2,072,065	0	0	330,561	2,402,626
Vocational	61,497	0	0	0	61,497
Other	27,012	0	0	0	27,012
<b>Support Services:</b>					
Pupil	1,700,981	0	0	0	1,700,981
Instructional Staff	1,023,015	0	0	188,384	1,211,399
General Administration	161,592	0	0	0	161,592
School Administration	1,691,287	0	0	0	1,691,287
Fiscal	912,690	19,916	0	6,479	939,085
Business	1,108	0	0	0	1,108
Operations and Maintenance	1,802,177	0	0	0	1,802,177
Pupil Transportation	390,119	0	0	16,453	406,572
Central	126,263	0	0	4,500	130,763
Operation of Non-Instructional Services	75,513	0	0	534,551	610,064
Extracurricular Activities	499,741	0	0	232,683	732,424
Capital Outlay	6,996	0	37,320	0	44,316
<b>Debt Service:</b>					
Principal Retirement	93,400	615,753	0	197,000	906,153
Interest and Fiscal Charges	90,048	1,007,822	152,308	27,296	1,277,474
<b>Total Expenditures</b>	<b>22,123,658</b>	<b>1,643,491</b>	<b>189,628</b>	<b>1,584,774</b>	<b>25,541,551</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(60,786)</b>	<b>47,231</b>	<b>(189,628)</b>	<b>608,260</b>	<b>405,077</b>
<b>Other Financing Sources (Uses):</b>					
Issuance of Bond Anticipation Notes	0	0	25,037,000	0	25,037,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>25,037,000</b>	<b>0</b>	<b>25,037,000</b>
<b>Net Change in Fund Balance</b>	<b>(60,786)</b>	<b>47,231</b>	<b>24,847,372</b>	<b>608,260</b>	<b>25,442,077</b>
<b>Fund Balance Beginning of Year</b>	<b>14,454,780</b>	<b>1,949,272</b>	<b>0</b>	<b>966,382</b>	<b>17,370,434</b>
<b>Fund Balance End of Year</b>	<b>\$14,393,994</b>	<b>\$1,996,503</b>	<b>\$24,847,372</b>	<b>\$1,574,642</b>	<b>\$42,812,511</b>

See accompanying notes to the basic financial statements.

Wyoming City School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2012

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Net Change in Fund Balance - Total Governmental Funds \$25,442,077

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

Governmental funds report capital asset additions 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 of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	191,729	
Depreciation Expense	<u>(867,617)</u>	
		(675,888)

Revenues in the statement of activities that do not provide  
 current financial resources are not reported as revenues in  
 the funds.

Delinquent Property Taxes	(13,182)	
Interest	28,034	
Intergovernmental	(377,408)	
Other	<u>24,800</u>	
		(337,756)

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 906,153

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 732

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

Compensated Absences	(79,903)	
Deferred Bond Issuance Cost Amortization	(12,014)	
Amortization of Bond Premium	58,098	
Bond Accretion	<u>(133,773)</u>	
		86,655

Proceeds from debt issues are an other financing source in the funds,  
 but a debt issue increases long-term liabilities in the statement  
 of net assets. (25,037,000)

Change in Net Assets of Governmental Activities \$384,973

See accompanying notes to the basic financial statements.

Wyoming City School District  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

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	Private Purpose Trust Fund	Agency
Assets:		
Equity in Pooled Cash and Investments	\$10,430	\$119,397
Receivables:		
Interest	53	0
Total Assets	<u>10,483</u>	<u>119,397</u>
Liabilities:		
Accounts Payable	0	5,500
Other Liabilities	0	113,897
Total Liabilities	<u>0</u>	<u>\$119,397</u>
Net Assets:		
Held in Trust	<u>10,483</u>	
Total Net Assets	<u>\$10,483</u>	

See accompanying notes to the basic financial statements.

Wyoming City School District  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2012

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	<u>Private Purpose Trust Fund</u>
Additions:	
Donations	\$100
Investment Earnings	97
Total Additions	<u>197</u>
Deductions:	
Scholarships	<u>2,100</u>
Total Deductions	<u>2,100</u>
Change in Net Assets	(1,903)
Net Assets Beginning of Year	<u>12,386</u>
Net Assets End of Year	<u><u>\$10,483</u></u>

See accompanying notes to the basic financial statements.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 1 – Description of the District**

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The Wyoming City School District (“District”) was chartered by the Ohio State Legislature in 1832 when state laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected 5 member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by approximately 85 non-certificated personnel and approximately 163 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 13<sup>th</sup> largest in Hamilton County in terms of enrollment. The District currently operates 3 primary schools, 1 middle school (grades 5-8), and 1 high school (grades 9-12).

**Reporting Entity**

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with two organizations that are defined as jointly governed organizations. These organizations include Great Oaks Institute of Technology and Career Development and the Hamilton/Clermont Cooperative Association. These organizations are presented in Note 14.

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

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

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Measurement Focus**

**Government-wide Financial Statements**

The 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.

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. 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 and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

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

Private purpose trust funds are reported using the economic resources measurement focus.

**Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary.



**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Governmental Funds**

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Building Fund – The building fund is used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has a private purpose trust fund which accounts for scholarship programs for students. The District has a student managed activity (agency) fund which accounts for assets and liabilities generated by student managed activities.

**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. Fiduciary funds also use the accrual basis of accounting. Differences in the actual 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.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 year end: property taxes available for advance, grants and interest.

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, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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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 donated commodities revenue.

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

**Equity in Pooled Cash and Investments**

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as “Equity in Pooled Cash and Investments”.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund amounted to \$75,601 and \$7,544 credited to other governmental funds.

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance assignment in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**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.

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 District maintains a capitalization threshold of five thousand dollars (\$5,000). The 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 are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 years
Equipment	5 - 20 years

**Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is due and payable. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's \$3,446,612 in restricted net assets, none were restricted by enabling legislation.

**Interfund Activity**

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

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 activities column on the Statement of Net Assets.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**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.

**Note 3 – Equity in Pooled Cash and Investments**

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The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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 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.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2012, \$5,774,178 of the District's bank balance of \$6,159,598 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**Investments**

As of June 30, 2012, the District had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Funds	\$283,736	0.00
U.S. Treasury Bill	2,648,172	1.29
Federal Home Loan Bank	11,542,801	1.30
Federal Home Loan Bank - Discount Note	5,645,336	0.45
Federal Home Loan Mortgage Corporation	3,854,227	1.61
Federal Home Loan Mortgage Corporation - Discount Note	2,799,972	0.03
Federal National Mortgage Association	4,115,416	3.05
Federal Farm Credit Banks	2,348,815	0.70
Total Fair Value	\$33,238,475	
Portfolio Weighted Average Maturity		1.25

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.



**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District’s investments in Federal Home Loan Bank, Federal Home Loan Bank - Discount Note, Federal Home Loan Mortgage Corporation, Federal Home Loan Mortgage Corporation - Discount Note, Federal National Mortgage Association, and Federal Farm Credit Banks were rated Aaa by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service. Money Market Funds and U.S. Treasury Bill are not rated.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 1% in Money Market Funds, 8% in U.S. Treasury Bill, 35% in Federal Home Loan Bank, 17% in Federal Home Loan Bank - Discount Note, 12% in Federal Home Loan Mortgage Corporation, 8% in Federal Home Loan Mortgage Corporation - Discount Note, 12% in Federal National Mortgage Association, and 7% in Federal Farm Credit Banks

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

**Note 4 – Property Taxes**

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Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2012 (other than public utility property tax) represents the collection of 2012 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2012 were levied after April 1, 2011, on the value as of December 31, 2011. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, 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.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2013 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2012. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance \$3,332,000 in the General Fund, \$600,000 in the Debt Service Fund and \$161,000 in Other Governmental Funds.

The assessed values upon which the fiscal year 2012 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$267,750,930
Public Utility Personal	<u>3,604,960</u>
Total	<u><u>\$271,355,890</u></u>

**Income Tax**

The District levies a voted tax of 1.25% for general operations on the income of residents and of estates. The tax was first approved in 1989 at 0.75%. In 1994, the community approved an additional 0.50% income tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**Note 5 – Receivables**

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Receivables at June 30, 2012, consisted of taxes, accounts (rent and student fees), interest, intergovernmental grants and interfund. 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 year guarantee of federal funds.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

**Note 6 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$629,493	\$0	\$0	\$629,493
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	32,771,122	9,999	0	32,781,121
Equipment	2,442,724	181,730	0	2,624,454
Totals at Historical Cost	<u>35,843,339</u>	<u>191,729</u>	<u>0</u>	<u>36,035,068</u>
Less Accumulated Depreciation:				
Buildings and Improvements	11,827,972	767,137	0	12,595,109
Equipment	2,059,923	100,480	0	2,160,403
Total Accumulated Depreciation	<u>13,887,895</u>	<u>867,617</u>	<u>0</u>	<u>14,755,512</u>
Governmental Activities Capital Assets, Net	<u>\$21,955,444</u>	<u>(\$675,888)</u>	<u>\$0</u>	<u>\$21,279,556</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$446,916
Special	21,946
Support Services:	
Pupil	7,707
Instructional Staff	125,117
School Administration	23,398
Fiscal	7,671
Operations and Maintenance	128,872
Pupil Transportation	60,987
Central	8,362
Operation of Non-Instructional Services	5,794
Extracurricular Activities	30,847
Total Depreciation Expense	<u>\$867,617</u>

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

**Note 7 – Long-Term Liabilities**

	Interest Rate	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
1998B School Improvement	4.97%	\$3,725,000	\$0	\$0	\$3,725,000	\$0
2006 Refunding Bonds:						
Current Interest Bonds -						
School Improvement	3.95%-5.75%	12,065,000	0	0	12,065,000	0
Capital Appreciation Bonds - Principal	3.95%-5.75%	2,005,000	0	615,753	1,389,247	681,485
Capital Appreciation Bonds - Interest Only		758,392	133,773	254,247	637,918	0
Premium on 2006 Refunding Bonds		755,282	0	58,098	697,184	0
2012 Bond Anticipation Notes	3.49%	0	25,037,000	0	25,037,000	0
Total General Obligation Bonds		19,308,674	25,170,773	928,098	43,551,349	681,485
Capital Leases		2,705,500	0	290,400	2,415,100	303,500
Total Long Term Debt		22,014,174	25,170,773	1,218,498	45,966,449	984,985
Compensated Absences		1,149,084	363,597	395,341	1,117,340	206,219
Total Governmental Activities		\$23,163,258	\$25,534,370	\$1,613,839	\$47,083,789	\$1,191,204

General obligation bonds will be paid from the Debt Service Fund. The bond anticipation notes will be paid out of the Building Fund. Capital leases will be paid from the General Fund and the Permanent Improvement Fund. Compensated absences will be paid from the fund from which the person is paid.

In April 2012, the District issued a bond anticipation note for \$25,037,000 that was included as long-term liabilities, since the District took the steps to refinance the notes on a long-term basis before the financial statements were issued.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$0	\$1,575,689	\$1,575,689	\$681,485	\$333,515	\$1,015,000
2014	640,000	1,918,693	2,558,693	240,079	144,921	385,000
2015	815,000	1,878,675	2,693,675	217,987	152,013	370,000
2016	895,000	1,834,929	2,729,929	249,696	195,304	445,000
2017	1,385,000	1,779,712	3,164,712	0	0	0
2018-2022	9,125,000	7,720,785	16,845,785	0	0	0
2023-2027	6,200,000	5,556,374	11,756,374	0	0	0
2028-2032	2,565,000	4,966,181	7,531,181	0	0	0
2033-2037	3,575,000	4,375,125	7,950,125	0	0	0
2038-2042	4,875,000	3,321,125	8,196,125	0	0	0
2043-2047	6,220,000	1,940,750	8,160,750	0	0	0
2048-2050	4,532,000	347,250	4,879,250	0	0	0
Total	\$40,827,000	\$37,215,288	\$78,042,288	\$1,389,247	\$825,753	\$2,215,000

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 8 – Prior Year Defeasance of Debt**

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In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2012, \$16,425,000 of bonds outstanding are considered defeased.

**Note 9 – Capital Leases**

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The District, in prior years, has entered into two capital leases for buildings and an athletic field improvement lease.

The leases meet the criteria of capital leases as defined by statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee. Capital lease payments for the buildings will be made from the General Fund. Capital lease payments for athletic field improvements will be made from the Permanent Improvement fund.

In fiscal year 2006, the capital lease proceeds that were recorded in the Permanent Improvement Fund relates to athletic field improvements project for the District. The District is leasing the project from the Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority assigned U.S. Bank National Association as trustee. U.S. Bank National Association deposited \$1,717,000 in the District's name for the improvement of the athletic field. The lease is renewable annually and expires in 2014. The intention of the District is to renew the lease annually. The District began making principal payments in fiscal year 2007. The trustee entered into an Interest Rate Exchange Agreement with respect to the loan, locking in the rate at 3.65% plus an annual administrative fee.

In fiscal year 2012, the capital lease proceeds that were recorded in the Permanent Improvement Fund relates to the HB264 Energy Improvements for the District. The District is leasing the project from the Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority assigned U.S. Bank National Association as trustee. U.S. Bank National Association deposited \$883,000 in the District's name for the HB264 Energy Improvements. The District made an interest payment to U.S. Bank National Association. The lease is renewable annually and expires on December 1, 2025. The intention of the District is to renew the lease annually. The District began making principal payments in fiscal year 2012. The trustee entered into an Interest Rate Exchange Agreement with respect to the loan, locking in the rate at 3.50% plus an annual administrative fee.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

<u>Fiscal Year Ending June 30,</u>	<u>Long-Term Debt</u>
2013	\$428,261
2014	428,230
2015	264,672
2016	202,489
2017	195,003
2018-2022	973,793
2023-2026	776,067
Total Minimum Lease Payments	3,268,515
Less: Amount Representing Interest	(842,382)
Less: Additional Program Cost Component	(11,033)
Present Value of Minimum Lease Payments	<u>\$2,415,100</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Buildings and Improvements	\$4,100,000
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**Note 10 - Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained 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](http://www.ohsers.org) under *Employers/Audit Resources*.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2012, the allocation to pension and death benefits is 12.70%. The remaining 1.30% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2012, 2011, and 2010 were \$473,376, \$454,416, and \$411,408, respectively; 67% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**State Teachers Retirement System of Ohio**

Plan Description

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 is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

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

Combined Plan Benefits

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

Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.



**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

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

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

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2012, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2012, 2011, and 2010 were \$1,592,976, \$1,552,104, and \$1,537,248, respectively; 83% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**Note 11- Post Employment Benefits**

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**School Employees Retirement System of Ohio**

Plan Description

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

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2012 was \$96.40 for most participants, but could be as high as \$319.70 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2012, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2012, 2011 and 2010 were \$25,359, \$24,668 and \$22,334, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2012, the health care allocation was 0.55%. 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 2012, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2012, 2011, and 2010 were \$18,597, \$46,415, and \$13,518, respectively; 67% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

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

**State Teachers Retirement System of Ohio**

Plan Description

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

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

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

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2012, 2011 and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2012, 2011, and 2010 were \$113,784, \$110,865, and \$109,803, respectively; 83% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**Wyoming City School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2012**

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**Note 12 – Contingent Liabilities**

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**Student Attendance Data Review**

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

**Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

**Litigation**

The District's attorney estimates that there are no potential claims against the District that are not covered by insurance resulting from litigation.

**Note 13 – Subsequent Event**

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In September 2012, the District issued \$25,035,000 in (voted) bonds to refinance the \$25,037,000 in bond anticipation note for improvements to be made to the District's middle school.

**Note 14 – Risk Management**

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The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2012, the District contracted with Ohio Casualty Insurance Company for property and fleet insurance, liability insurance, and inland marine coverage. Coverage's provided by Ohio Casualty Insurance Company are as follows:

Building and Contents - Replacement Cost	\$59,052,619
Inland Marine Coverage	1,480,750
Boiler and Machinery	No Limit
Crime Insurance	100,000
Automobile Liability	2,000,000
Uninsured Motorist	2,000,000
General Liability	
Per Occurrence	2,000,000

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Total Per Year 2,000,000

Settled claims have not exceeded commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

For fiscal year 2012, the District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the 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 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 Hunter Consulting Company provides administrative, cost control and actuarial services to the GRP.

**Note 15 – Jointly Governed Organizations**

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The Great Oaks Institute of Technology and Career Development (the School), a jointly governed organization, is a distinct political subdivision of the State of Ohio which operates under the direction of a Board consisting of one representative from each participating school district's elected board. The Board possesses its own budgeting and taxing authority. The School provides academic preparation and job training which leads to employment and/or further education upon graduation from high school. The District has no ongoing financial interest in or responsibility for the School.

The District is a participant in the Hamilton/Clermont Cooperative Association (HCCA) which is a computer consortium A-site used by the District. HCCA is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of the School consists of one representative from each of the participating members. The degree of control exercised by any participating district is limited to its representation on the board.

**Note 16 – Claims Servicing Pool**

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The District participates as a member of the Greater Cincinnati Insurance Consortium (GCIC), a shared risk pool, comprised on twelve Hamilton County school districts and the Hamilton County Educational Service Center. Decisions concerning the operation of the consortium are made by a Board of Directors consisting of one (1) representative selected from each participating district and the educational service center. Each member pays an administrative fee to the pool. The Consortium converted from a fully-insured consortium through an independent third party insurance company to a self-funded insurance consortium with stop loss insurance coverage effective July 1, 2007. Anthem Blue Cross Blue Shield provides claim review and

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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processing.

**Note 17 – Accountability**

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The following individual fund had a deficit in fund balance at year end:

<u>Other Governmental Funds</u>	<u>Deficit</u>
Food Service	\$43,866

The deficits in fund balances were primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

**Note 18 – Fund Balance Reserves for Set-Asides**

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The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula the 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 capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside Reserve Balance as of June 30, 2011	(\$4,776,381)	\$0
Current Year Set-aside Requirement	0	344,489
Qualified Disbursements	0	(332,728)
Elimination per H.B. 30 of the 129th Ohio General Assembly	4,776,381	0
Current Year Offsets	0	(11,761)
Set-aside Reserve Balance as of June 30, 2012	<u>\$0</u>	<u>\$0</u>

**Note 19 – Interfund Transactions**

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Interfund transactions at June 30, 2012, consisted of the following interfund receivable and interfund payable:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$59,800	\$0
Other Governmental Funds	<u>0</u>	<u>59,800</u>
Total All Funds	<u>\$59,800</u>	<u>\$59,800</u>

**Wyoming City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

**Note 20 – Fund Balances**

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

Fund Balances	General	Debt Service	Building	Other Governmental Funds	Total
<b>Nonspendable:</b>					
Inventory	0	0	0	3,028	3,028
<b>Total Nonspendable</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,028</b>	<b>3,028</b>
<b>Restricted for:</b>					
Other Grants	0	0	0	16,027	16,027
Student Activity	0	0	0	79,164	79,164
Auxiliary Services	0	0	0	56,718	56,718
Data Communication	0	0	0	4,500	4,500
Special Education	0	0	0	16,191	16,191
Title III Limited English Proficiency	0	0	0	4,155	4,155
Title I	0	0	0	8,709	8,709
IDEA Preschool	0	0	0	536	536
Debt Service	0	1,996,503	0	0	1,996,503
Capital Improvements	0	0	0	1,432,508	1,432,508
Building	0	0	24,847,372	0	24,847,372
<b>Total Restricted</b>	<b>0</b>	<b>1,996,503</b>	<b>24,847,372</b>	<b>1,618,508</b>	<b>28,462,383</b>
<b>Assigned to:</b>					
Encumbrances	161,128	0	0	0	161,128
Public School	91,262	0	0	0	91,262
Budgetary Resources	1,917,204	0	0	0	1,917,204
<b>Total Assigned</b>	<b>2,169,594</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,169,594</b>
<b>Unassigned (Deficit)</b>	<b>12,224,400</b>	<b>0</b>	<b>0</b>	<b>(46,894)</b>	<b>12,177,506</b>
<b>Total Fund Balance</b>	<b>14,393,994</b>	<b>1,996,503</b>	<b>24,847,372</b>	<b>1,574,642</b>	<b>42,812,511</b>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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Wyoming City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$14,052,377	\$14,052,377	\$14,503,597	\$451,220
Tuition and Fees	458,547	458,547	473,271	14,724
Investment Earnings	63,178	63,178	65,207	2,029
Intergovernmental	6,149,761	6,149,761	6,347,229	197,468
Other Revenues	201,357	201,357	207,823	6,466
Total Revenues	<u>20,925,220</u>	<u>20,925,220</u>	<u>21,597,127</u>	<u>671,907</u>
Expenditures:				
Current:				
Instruction:				
Regular	11,700,988	11,925,987	11,775,438	150,549
Special	2,151,373	2,192,742	2,165,062	27,680
Vocational	61,569	62,753	61,961	792
Other	29,726	30,297	29,915	382
Support Services:				
Pupil	1,580,813	1,611,210	1,590,871	20,339
Instructional Staff	1,070,772	1,091,362	1,077,585	13,777
General Administration	162,504	165,629	163,538	2,091
School Administration	1,747,430	1,781,031	1,758,548	22,483
Fiscal	923,387	941,143	929,262	11,881
Business	1,101	1,122	1,108	14
Operations and Maintenance	1,877,314	1,913,413	1,889,259	24,154
Pupil Transportation	417,582	425,612	420,239	5,373
Central	129,269	131,755	130,092	1,663
Extracurricular Activities	496,581	506,130	499,741	6,389
Capital Outlay	6,952	7,085	6,996	89
Debt Service:				
Principal Retirement	92,809	94,594	93,400	1,194
Interest and Fiscal Charges	122,035	124,381	122,811	1,570
Total Expenditures	<u>22,572,205</u>	<u>23,006,246</u>	<u>22,715,826</u>	<u>290,420</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,646,985)</u>	<u>(2,081,026)</u>	<u>(1,118,699)</u>	<u>962,327</u>
Other Financing Sources (Uses):				
Premium on Bonds and Notes Issued	68,131	68,131	70,319	2,188
(Discount) on Bonds and Notes Issued	(36,388)	(36,388)	(37,556)	(1,168)
Advances In	387,412	387,412	399,852	12,440
Total Other Financing Sources (Uses)	<u>419,155</u>	<u>419,155</u>	<u>432,615</u>	<u>13,460</u>
Net Change in Fund Balance	(1,227,830)	(1,661,871)	(686,084)	975,787
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>11,011,375</u>	<u>11,011,375</u>	<u>11,011,375</u>	<u>0</u>
Fund Balance End of Year	<u>\$9,783,545</u>	<u>\$9,349,504</u>	<u>\$10,325,291</u>	<u>\$975,787</u>

See accompanying notes to the required supplementary information.

**Wyoming City School District**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2012**

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**Note 1 – Budgetary Process**

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All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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 on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2012.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

While the 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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

**Wyoming City School District**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2012**

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5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$60,786)
Revenue Accruals	(465,745)
Expenditure Accruals	(404,886)
Issuance of Debt	32,763
Advances In	399,852
Encumbrances	(192,155)
Funds Budgeted Elsewhere	<u>4,873</u>
Budget Basis	<u><u>(\$686,084)</u></u>

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**WYOMING CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education</i>						
<b>Child Nutrition Cluster</b>						
National School Lunch Program	3L69	10.555	\$ 65,498	\$ -	\$ 65,498	\$ -
Food Commodity Distribution Program	N/A	10.555	-	15,827	-	15,827
Total Child Nutrition Cluster			<u>65,498</u>	<u>15,827</u>	<u>65,498</u>	<u>15,827</u>
Total U.S. Department of Education			<u><b>65,498</b></u>	<u><b>15,827</b></u>	<u><b>65,498</b></u>	<u><b>15,827</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education</i>						
<b>Special Education Cluster</b>						
Title VI-B: Special Education Grants to States	3M20	84.027	409,300	-	392,893	-
Special Education - Preschool Grant	3C50	84.173	4,896	-	4,360	-
Total Special Education Cluster			<u>414,196</u>	<u>-</u>	<u>397,253</u>	<u>-</u>
Improving Teacher Quality	3Y60	84.367	31,126	-	31,126	-
Title I: Grants to Local Educational Agencies	3M00	84.010	61,093	-	56,302	-
<i>Passed Through Hamilton County Educational Service Center</i>						
Title III - Limited English Proficiency	T3S2	84.365	2,132	-	-	-
Total U.S. Department of Education			<u><b>508,547</b></u>	<u><b>-</b></u>	<u><b>484,681</b></u>	<u><b>-</b></u>
<b>Total</b>			<u><u><b>\$ 574,045</b></u></u>	<u><u><b>\$ 15,827</b></u></u>	<u><u><b>\$ 550,179</b></u></u>	<u><u><b>\$ 15,827</b></u></u>

The accompanying notes are an integral part of this schedule.

**WYOMING CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C - FOOD DONATION PROGRAM**

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

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds



# Dave Yost • Auditor of State

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

Wyoming City School District  
Hamilton County  
420 Springfield Pike  
Wyoming, Ohio 45215

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wyoming City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 19, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

### Compliance and Other Matters

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

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 19, 2013.

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

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

**Dave Yost**  
Auditor of State

March 19, 2013





# Dave Yost • Auditor of State

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

Wyoming City School District  
Hamilton County  
420 Springfield Pike  
Wyoming, Ohio 45215

To the Board of Education:

### Compliance

We have audited the compliance of Wyoming City School District, Hamilton County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Wyoming City School District's major federal program for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

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

In our opinion, the Wyoming City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2012.

### Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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.

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

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

**Dave Yost**  
Auditor of State

March 19, 2013

**WYOMING CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2012**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster – CFDA #'s 84.027, 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**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

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**WYOMING CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-01	Failure to complete all necessary State Fiscal Stabilization Fund (SFSF) reports	N/A	Finding No Longer Valid. The District did not receive SFSF funds in FY12
2011-02	Failure to complete all necessary Education Jobs funds reports	N/A	Finding No Longer Valid. The District did not receive Education Jobs funds in FY12

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# Dave Yost • Auditor of State

WYOMING CITY SCHOOL DISTRICT

HAMILTON 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  
APRIL 2, 2013