

WOODRIDGE LOCAL SCHOOL DISTRICT

SUMMIT COUNTY

AUDIT REPORT

For the Year Ended June 30, 2008

Charles E. Harris & Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Education
Woodridge Local School District
4411 Quick Road
Peninsula, Ohio 44264

We have reviewed the *Report of Independent Accountants* of the Woodridge Local School District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 18, 2009

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**WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
AUDIT REPORT
For the Year Ended June 30, 2008**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1 - 2
Management’s Discussion and Analysis	3 - 10
Statement of Net Assets	12
Statement of Activities	13
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	18
Statement of Fiduciary Net Assets – Agency Fund	19
Notes to the Basic Financial Statements	20 - 41
Schedule of Federal Awards Expenditures	42
Notes to the Schedule of Federal Awards Expenditures	43
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i>	44 - 45
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	46 - 47
Schedule of Findings and Questioned Costs	48 - 49
Schedule of Prior Audit Findings	50

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

REPORT OF INDEPENDENT ACCOUNTANTS

Woodridge Local School District
Summit County
4411 Quick Road
Peninsula, Ohio 44264

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 the Woodridge Local School District, Summit County, Ohio, (the District), as of and for the year ended June 30, 2008, 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 an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Woodridge Local School District, Summit County, Ohio, as of June 30, 2008, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008 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, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Charles E. Harris & Associates, Inc.
December 29, 2008

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

Unaudited

This discussion and analysis of Woodridge Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- General revenues accounted for \$22,386,000 in revenue or 87.2 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest, and capital grants and contributions accounted for \$3,284,357 or 12.8 percent of total revenues of \$25,670,357.
- The School District had \$22,812,008 in expenses related to governmental activities; program revenues offset only \$3,284,357 of these expenses. \$22,386,000 of general revenues was adequate to provide for these programs resulting in an increase in net assets of \$2,858,349.
- Total expenses amounted to \$22.8 million, and expenses related to instruction amounted to \$13.5 million or 59.4 percent of this total.
- At the end of the fiscal year, fund balance for the general fund was \$9,188,007 and the total fund balance increased by \$1,488,821.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Woodridge Local School 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 School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant fund with all other nonmajor funds presented in total in one column.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2008?" These statements include all non-fiduciary 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 School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the School Districts' activities are considered to be all governmental activities:

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 14. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant fund. The School District's major governmental fund is the general fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps 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.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008
 Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2008 and 2007.

*Table 1
 Net Assets*

	<i>Governmental Activities</i>	
	<u>2008</u>	<u>2007</u>
Assets		
<i>Current and other assets</i>	\$ 28,255,759	\$ 28,367,956
<i>Capital assets, net of depreciation</i>	<u>14,755,940</u>	<u>15,017,252</u>
<i>Total assets</i>	<u>43,011,699</u>	<u>43,385,208</u>
Liabilities		
<i>Current and other liabilities</i>	17,732,383	19,534,144
<i>Long-term liabilities:</i>		
<i>Due within one year</i>	1,221,748	429,046
<i>Due in more than one year</i>	<u>13,903,994</u>	<u>16,126,793</u>
<i>Total liabilities</i>	<u>32,858,125</u>	<u>36,089,983</u>
Net Assets		
<i>Invested in capital assets, net of debt</i>	617,466	(762,149)
<i>Restricted</i>	1,121,181	785,609
<i>Unrestricted</i>	<u>8,414,927</u>	<u>7,271,765</u>
<i>Total net assets</i>	<u>\$ 10,153,574</u>	<u>\$ 7,295,225</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the School District's net assets increased \$2,858,349 from June 30, 2007.

The increase in net assets is largely reflected in unrestricted net assets as well as invested in capital assets, net of related debt components of net assets. This increase in the unrestricted portion is related to the general fund activity and is comparable to the increase in the fund balance of the general fund. The increase is related to a significant increase in general fund intergovernmental revenue and equity in pooled cash, both of which are the result of a recent tax levy. The collections on the tax levy have improved the cash flow of the general fund and have resulted in a positive fund balance of approximately 52% of current general fund expenditures for 2008.

A portion of the School District's net assets, \$1,121,181, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$533,071 is restricted for debt service payments, \$219,745 is restricted for capital projects, \$214,021 is restricted for other purposes and \$154,344 is restricted for set asides. The remaining balance of net assets of \$8,414,927 is unrestricted.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

Unaudited

Table 2 shows changes in net assets for fiscal year 2008 and 2007.

Table 2
Change in Net Assets

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 1,823,349	\$ 1,497,874
Operating grants, contributions and interest	1,452,968	2,046,356
Capital grants and contributions	8,040	17,921
<i>General revenues:</i>		
Property taxes	17,054,831	16,843,046
Grants and entitlements	4,525,046	3,385,833
Investment earnings	516,778	530,308
Miscellaneous	159,345	172,035
Capital contributions	130,000	-
Total revenues	<u>25,670,357</u>	<u>24,493,373</u>
Program Expenses		
<i>Instruction:</i>		
Regular	9,794,206	9,058,061
Special	3,076,043	2,685,260
Vocational	303,912	285,280
Other	365,074	456,082
<i>Support services:</i>		
Pupils	1,142,452	1,142,059
Instructional staff	555,328	605,647
Board of education	25,652	22,973
Administration	2,199,476	1,927,265
Fiscal	570,384	563,482
Business	6,855	19,786
Operation and maintenance of plant	1,658,390	1,628,691
Pupil transportation	1,435,242	1,300,740
Central	142,546	198,984
<i>Operation of non-instructional services:</i>		
Food service operations	682,239	635,960
Community services	16,632	7,043
Extracurricular activities	553,273	603,195
Interest and fiscal charges	284,304	1,495,445
Total expenses	<u>22,812,008</u>	<u>22,635,953</u>
Increase (decrease) in net assets	<u>\$ 2,858,349</u>	<u>\$ 1,857,420</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$17.1 million in 2008. General revenues from grants and entitlements, such as the school foundation program, generated over \$4.5 million. With the combination of taxes and intergovernmental funding 84.2 percent of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

Instruction and interest and fiscal charges comprise 59.4 percent and 1.3 percent, respectively, of governmental program expenses. Interest expense was attributable to outstanding bonds and various lease payments for equipment.

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 for fiscal year 2008 and 2007.

*Table 3
Governmental Activities*

	<i>Total Cost of Services</i>		<i>Net Cost of Services</i>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Program Expenses				
<i>Instruction:</i>				
Regular	\$ 9,794,206	\$ 9,058,061	\$ (8,217,952)	\$ (7,227,862)
Special	3,076,043	2,685,260	(2,368,527)	(2,253,167)
Vocational	303,912	285,280	(294,198)	(273,163)
Other	365,074	456,082	(365,074)	(364,145)
<i>Support services:</i>				
Pupils	1,142,452	1,142,059	(1,074,044)	(1,012,035)
Instructional staff	555,328	605,647	(534,630)	(528,725)
Board of education	25,652	22,973	(25,652)	(22,973)
Administration	2,199,476	1,927,265	(2,192,681)	(1,858,574)
Fiscal	570,384	563,482	(570,384)	(563,482)
Business	6,855	19,786	(6,855)	(19,786)
Operation and maintenance of plant	1,658,390	1,628,691	(1,658,266)	(1,627,803)
Pupil transportation	1,435,242	1,300,740	(1,427,202)	(1,267,007)
Central	142,546	198,984	(142,546)	(193,356)
<i>Operation of non-instructional services:</i>				
Food service operations	682,239	635,960	2,348	75,416
Community services	16,632	7,043	(15,178)	2,091
Extracurricular activities	553,273	603,195	(352,506)	(443,786)
Interest and fiscal charges	284,304	1,495,445	(284,304)	(1,495,445)
Total expenses	<u>\$ 22,812,008</u>	<u>\$ 22,635,953</u>	<u>\$ (19,527,651)</u>	<u>\$ (19,073,802)</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The School District's Funds

The School District's major fund is accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$25,530,066 and total expenditures were \$23,902,447. The increase of \$1,488,821 in the general fund's fund balance was significant. The increase was a result of an increase in property tax revenue and intergovernmental revenue and holding expenditure increases to a minimum.

General Fund Budgeting Highlights

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

During fiscal year 2008, the School District amended its general fund budget; however this amendment was not significant. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was \$21,608,441, which was slightly higher than the original budget estimate of \$21,272,109. Much of this \$336,332 difference was due to estimates for tuition and fees, the amounts of which are unknown during the original budgeting process

The original appropriation for the general fund was adjusted downward during the fiscal year. At the close the fiscal year, a final appropriation was adopted at approximately four percent less than original and equal to the final expenditures and outstanding encumbrances.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$14,755,940 invested in land and construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to fiscal year 2007.

Table 4
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	<i>Governmental Activities</i>	
	<u>2008</u>	<u>2007</u>
<i>Land and construction in progress</i>	\$ 839,759	\$ 1,769,280
<i>Land improvements</i>	-	-
<i>Buildings and improvements</i>	12,676,316	11,957,489
<i>Furniture, fixtures and equipment</i>	765,191	845,806
<i>Vehicles</i>	474,674	444,677
<i>Total capital assets</i>	<u>\$ 14,755,940</u>	<u>\$ 15,017,252</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The most notable change occurred in construction in progress. This change is the result of the completion of some projects and the stadium renovation. It should also be noted that all of the School District's land improvements are completely depreciated. This is an indication of necessary and in the near future expenditures for the upkeep and repair of parking lots and driveways. See Note 7 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2008 the School District had \$14,095,000 in bonds outstanding with \$905,000 due within one year. This balance reflected a decrease of \$1,628,511 from the previous year's balance of \$15,970,191. Table 5 summarizes the debt and capital leases outstanding:

*Table 5
Outstanding Debt and Capital Lease, at Fiscal Year End*

	<i>Governmental Activities 2008</i>	<i>Governmental Activities 2007</i>
<i>General obligation bonds</i>	<i>\$ 14,095,000</i>	<i>\$ 15,723,511</i>
<i>Capital leases</i>	<i>43,474</i>	<i>55,890</i>
<i>Total outstanding</i>	<i><u>\$ 14,138,474</u></i>	<i><u>\$ 15,779,401</u></i>

During fiscal year 2001, the School District issued \$8.2 million in bonds, the proceeds of which were used to refund bonds of the same amount but with a higher interest rate. See Notes 13 and 14 to the basic financial statements for the repayment schedules of the bonded debt and the capital leases.

Capital leases are to be repaid from the general and permanent improvements capital projects funds, and the bonds are to be repaid from the debt service fund. The School District has budgeted to meet all of the School District's debt requirements.

Current Issues Affecting Financial Condition

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges though. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May 2001, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities.

Due to the unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional financial information, contact Deanna Levenger, Treasurer, at Woodridge Local School District, 4411 Quick Road, Peninsula OH, 44264.

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Woodridge Local School District
Statement of Net Assets
June 30, 2008

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 11,218,557
Inventory held for resale	23,350
Materials and supplies inventory	5,069
Accrued interest receivable	38,651
Receivables:	
Accounts	88,927
Intergovernmental	185,672
Taxes	16,668,778
Prepaid items	26,755
Capital assets:	
Land and construction in progress	839,759
Depreciable capital assets, net	13,916,181
Total capital assets	<u>14,755,940</u>
Total assets	<u>43,011,699</u>
<u>Liabilities:</u>	
Accounts payable	210,886
Accrued wages	1,542,910
Intergovernmental payable	711,912
Accrued interest payable	65,509
Deferred revenue	15,201,166
Long-term liabilities:	
Due within one year	1,221,748
Due in more than one year	13,903,994
Total liabilities	<u>32,858,125</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	617,466
Restricted for:	
Capital projects	219,745
Debt service	533,071
Other purposes	214,021
Set asides	154,344
Unrestricted	<u>8,414,927</u>
Total net assets	<u>\$ 10,153,574</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenues and Changes in Net Assets
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$ 9,794,206	\$ 922,172	\$ 654,082	\$ -	\$ (8,217,952)
Special	3,076,043	275,728	431,788	-	(2,368,527)
Vocational	303,912	9,714	-	-	(294,198)
Other	365,074	-	-	-	(365,074)
Support services:					
Pupils	1,142,452	57,557	10,851	-	(1,074,044)
Instructional staff	555,328	-	20,698	-	(534,630)
Board of education	25,652	-	-	-	(25,652)
Administration	2,199,476	-	6,795	-	(2,192,681)
Fiscal	570,384	-	-	-	(570,384)
Business	6,855	-	-	-	(6,855)
Operation and maintenance of plant	1,658,390	124	-	-	(1,658,266)
Pupil transportation	1,435,242	-	-	8,040	(1,427,202)
Central	142,546	-	-	-	(142,546)
Operation of non-instructional services:					
Food service operations	682,239	363,569	321,018	-	2,348
Community services	16,632	454	1,000	-	(15,178)
Extracurricular activities	553,273	194,031	6,736	-	(352,506)
Interest and fiscal charges	284,304	-	-	-	(284,304)
Total governmental activities	<u>\$ 22,812,008</u>	<u>\$ 1,823,349</u>	<u>\$ 1,452,968</u>	<u>\$ 8,040</u>	<u>(19,527,651)</u>

General Revenues:

Property taxes levied for:

General purposes	15,116,955
Debt service	1,538,584
Capital outlay	399,292
Grants and entitlements not restricted to specific programs	4,525,046
Investment earnings	516,778
Miscellaneous	159,345
Capital contributions	130,000

Total general revenues 22,386,000

Change in net assets 2,858,349

Net assets beginning of year 7,295,225

Net assets end of year \$ 10,153,574

See accompanying notes to the basic financial statements.

Woodridge Local School District
Balance Sheet
Governmental Funds
June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 10,029,965	\$ 1,034,248	\$ 11,064,213
Inventory held for resale	-	23,350	23,350
Materials and supplies inventory	-	5,069	5,069
Accrued interest receivable	38,651	-	38,651
Receivables:			
Accounts	87,427	1,500	88,927
Intergovernmental	-	185,672	185,672
Interfund	154,776	-	154,776
Taxes	14,796,641	1,872,137	16,668,778
Prepaid items	26,755	-	26,755
Equity in pooled cash and cash equivalents (restricted)	154,344	-	154,344
Total assets	<u>\$ 25,288,559</u>	<u>\$ 3,121,976</u>	<u>\$ 28,410,535</u>
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 169,422	\$ 41,464	\$ 210,886
Accrued wages	1,411,328	131,582	1,542,910
Interfund payable	-	154,776	154,776
Intergovernmental payable	687,470	24,442	711,912
Deferred revenue	13,832,332	1,745,824	15,578,156
Total liabilities	<u>16,100,552</u>	<u>2,098,088</u>	<u>18,198,640</u>
<u>Fund balances:</u>			
Reserved for encumbrances	293,682	164,853	458,535
Reserved for textbooks/instructional material	154,344	-	154,344
Unreserved,			
Undesignated, reported in:			
General fund	8,739,981	-	8,739,981
Special revenue funds	-	81,625	81,625
Debt service fund	-	577,300	577,300
Capital projects funds	-	200,110	200,110
Total fund balances	<u>9,188,007</u>	<u>1,023,888</u>	<u>10,211,895</u>
Total liabilities and fund balances	<u>\$ 25,288,559</u>	<u>\$ 3,121,976</u>	<u>\$ 28,410,535</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2008

Total governmental fund balances		\$ 10,211,895
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.		14,755,940
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 308,905	
Intergovernmental	2,634	
Charges for services	65,451	
Total	376,990	376,990
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (14,095,000)	
Compensated absences	(987,268)	
Capital leases	(43,474)	
Accrued interest payable	(65,509)	
Total	(15,191,251)	(15,191,251)
Net assets of governmental activities		\$ 10,153,574

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property taxes	\$ 14,993,443	\$ 1,782,465	\$ 16,775,908
Intergovernmental	4,322,176	1,831,071	6,153,247
Interest	507,936	12,371	520,307
Tuition and fees	1,161,992	99,501	1,261,493
Extracurricular activities	-	243,570	243,570
Gifts and donations	86	30,637	30,723
Customer services	-	363,570	363,570
Rent	124	-	124
Miscellaneous	217,350	1,549	218,899
Total revenues	<u>21,203,107</u>	<u>4,364,734</u>	<u>25,567,841</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	8,659,959	597,714	9,257,673
Special	2,799,779	249,231	3,049,010
Vocational	284,618	11,271	295,889
Other	365,313	-	365,313
Support services:			
Pupils	994,335	141,975	1,136,310
Instructional staff	404,269	124,357	528,626
Board of education	25,652	-	25,652
Administration	1,997,596	133,229	2,130,825
Fiscal	561,259	7,359	568,618
Business	-	6,855	6,855
Operation and maintenance of plant	1,640,400	-	1,640,400
Pupil transportation	1,320,231	31,589	1,351,820
Central	141,762	-	141,762
Operation of non-instructional services:			
Food service operations	-	643,620	643,620
Community services	-	16,632	16,632
Extracurricular activities	355,864	195,958	551,822
Capital outlay	71,067	143,668	214,735
Debt service:			
Principal retirement	12,416	1,698,426	1,710,842
Interest and fiscal charges	4,658	299,160	303,818
Total expenditures	<u>19,639,178</u>	<u>4,301,044</u>	<u>23,940,222</u>
Excess of revenues over (under) expenditures	<u>1,563,929</u>	<u>63,690</u>	<u>1,627,619</u>
<u>Other financing sources (uses):</u>			
Transfers in	-	75,108	75,108
Transfers out	(75,108)	-	(75,108)
Total other financing sources (uses)	<u>(75,108)</u>	<u>75,108</u>	<u>-</u>
Net change in fund balances	1,488,821	138,798	1,627,619
Fund balances at beginning of year	7,699,186	885,090	8,584,276
Fund balances at end of year	<u>\$ 9,188,007</u>	<u>\$ 1,023,888</u>	<u>\$ 10,211,895</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net change in fund balances - total governmental funds		\$ 1,627,619
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	\$ 344,735	
Depreciation expense	<u>(602,027)</u>	
Excess of capital outlay over depreciation expense		(257,292)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(4,020)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property taxes	\$ 139,226	
Intergovernmental	(61,664)	
Tuition and fees	(46,725)	
Extracurricular	(231)	
Miscellaneous	<u>(58,090)</u>	
Net change in deferred revenues during the year		(27,484)
Repayment of principal on bonds and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		1,710,842
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	\$ (210,830)	
Decrease in accrued interest	89,429	
Bond accretion	<u>(69,915)</u>	
Total additional expenditures		<u>(191,316)</u>
Change in net assets of governmental activities		<u>\$ 2,858,349</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$ 15,265,102	\$ 15,306,947	\$ 15,306,947	\$ -
Intergovernmental	4,345,776	4,322,176	4,322,176	-
Interest	459,900	516,793	516,793	-
Tuition and fees	882,500	1,165,686	1,165,702	16
Rent	1,000	488	488	-
Gifts and donations	200	86	86	-
Miscellaneous	223,599	192,995	193,878	883
Total revenues	<u>21,178,077</u>	<u>21,505,171</u>	<u>21,506,070</u>	<u>899</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	9,005,087	8,549,531	8,549,531	-
Special	2,842,505	2,773,477	2,773,477	-
Vocational	296,637	290,433	290,433	-
Other	375,182	367,602	367,602	-
Support services:				
Pupils	1,111,987	999,813	999,813	-
Instructional staff	485,592	434,350	434,350	-
Board of education	23,820	25,635	25,635	-
Administration	1,930,040	1,970,933	1,970,933	-
Fiscal	600,392	563,625	563,625	-
Operation and maintenance of plant	1,949,886	1,767,394	1,767,394	-
Pupil transportation	1,369,799	1,360,005	1,360,005	-
Central	193,463	151,552	151,552	-
Extracurricular activities	451,942	387,089	387,089	-
Capital outlay	21,550	76,305	76,305	-
Total expenditures	<u>20,657,882</u>	<u>19,717,744</u>	<u>19,717,744</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>520,195</u>	<u>1,787,427</u>	<u>1,788,326</u>	<u>899</u>
<u>Other financing sources (uses):</u>				
Refund of prior year expenditures	2,000	11,238	11,238	-
Refund of prior year receipts	(10,000)	(1,000)	(1,000)	-
Advances in	92,032	92,032	92,032	-
Advances out	(75,000)	(154,776)	(154,776)	-
Transfers out	(95,000)	(75,108)	(75,108)	-
Total other financing sources (uses)	<u>(85,968)</u>	<u>(127,614)</u>	<u>(127,614)</u>	<u>-</u>
Net change in fund balance	434,227	1,659,813	1,660,712	899
Fund balance at beginning of year	7,708,773	7,708,773	7,708,773	-
Prior year encumbrances appropriated	410,917	410,917	410,917	-
Fund balance at end of year	<u>\$ 8,553,917</u>	<u>\$ 9,779,503</u>	<u>\$ 9,780,402</u>	<u>\$ 899</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	<u>Agency</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	<u>\$ 50,993</u>
<u>Liabilities:</u>	
Due to students	<u>\$ 50,993</u>
Total liabilities	<u>\$ 50,993</u>

See accompanying notes to the basic financial statements.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 117 non-certificated employees and 159 certificated teaching and support personnel, including 11 administrators that provide services to 1,905 students and other community members.

Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, preschool and student-related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2008.

The School District is associated with the Northeast Ohio Network for Educational Technology, which is defined as a jointly governed organization. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 15.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

A. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

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

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. 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 grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into two categories: governmental and fiduciary.

Governmental Fund Types:

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 School District has one major governmental fund:

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

Fiduciary Fund Types

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

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (revenues) and decreases (expenses) in total net assets.

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

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 and the agency fund uses the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenue - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of year-end.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses

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

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

The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account.

D. Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The amounts reported as the original budget revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2008. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents". During the fiscal year, investments were limited to overnight repurchase agreements and interest in Star Ohio, the State Treasurer's Investment Pool. All investments of the School District had a maturity of two years or less. These investments are stated at cost, which approximates market value (fair value). Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds; required by a grant agreement; or when approved by the Board of Education to be recorded in another fund. The Board of Education has passed a resolution to allow interest to also be recorded in other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

G. Interfund Balances

On the 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 of the statement of net assets.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

H. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first out basis and are expensed when used.

Inventories of the general fund were not significant at the end of the year. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. The School District did not spend all restricted assets in accordance with specific restrictions during the fiscal year. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Capital Assets

General capital assets are those assets resulting 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 on 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 School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

All reported capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
<i>Land improvements</i>	<i>5 - 20 years</i>
<i>Buildings and improvements</i>	<i>20 - 50 years</i>
<i>Furniture, fixtures and equipment</i>	<i>3 - 20 years</i>
<i>Vehicles</i>	<i>10 - 20 years</i>

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

L. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due.

M. Net Assets

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

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

N. Interfund Transactions

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net assets.

O. 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.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

P. Fund Balance Reserves

The School District records reservations for portions of fund balances, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates the portion of fund balances that are available for appropriation in future periods. Fund balance reserves are established for encumbrances, the purchase of textbooks and instructional materials.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP 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>
<i>GAAP Basis</i>	\$ 1,488,821
<i>Revenue Accruals</i>	406,233
<i>Expenditure Accruals</i>	156,687
<i>Encumbrances (Budget Basis) outstanding at year end</i>	<u>(391,029)</u>
<i>Budget Basis</i>	<u>\$ 1,660,712</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim moneys may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The School District had \$100 in undeposited cash on hand which is included as part of “equity in pooled cash and cash equivalents.”

A. Deposits

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

As of June 30, the carrying amount of the School District’s deposits was \$ 3,691,073. The School District’s bank balance of \$3,765,440 was exposed to custodial credit risk as follows:

<i>Uninsured and collateral held by pledging bank's trust department in the School District's name</i>	\$ 3,665,000
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B. Investments

As of June 30, the School District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Repurchase agreements	\$ 90,000	Daily	AAA ⁽¹⁾
STAROhio	7,488,377	N/A	AAAm ⁽²⁾
	<u>\$ 7,578,377</u>		

⁽¹⁾ Standard and Poor's rating of underlying investment

⁽²⁾ Standard and Poor's rating

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on June 30, 2008.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$507,936, which includes \$32,720 assigned from other School District funds.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's \$90,000 investment in a repurchase agreement is to be secured by the specific securities upon which the repurchase agreements are based. The security, held by the counterparty and not in the School District's name, is a Federal Home Loan Mortgage Corporation (FHLM) bond. These securities, held by the counterparty must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAROhio an AAAM rating and the FHLM bond an AAA rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

NOTE 5 - PROPERTY TAX

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 within the School 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% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25%. This will be reduced to 0% for 2009.

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 alternative 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 School District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by year-end are available to finance the current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year-end is intended to finance current year operations and therefore a reservation of fund balance is not reported. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$1,029,760 in the general fund, \$101,557 in the bond retirement debt service fund and \$27,390 in the permanent improvement capital projects fund and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

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

<u>Property Category</u>	<u>2007 Assessed Value</u>	<u>2006 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 365,055,690	\$ 358,929,340
Commercial, industrial and minerals	111,193,160	104,347,520
<u>Tangible Personal Property</u>		
General	14,208,851	26,683,505
Public utilities	4,835,690	7,797,210
Total	<u>\$ 495,293,391</u>	<u>\$ 497,757,575</u>

NOTE 6 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), accrued interest, and intergovernmental grants and entitlements. 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. The general fund accounts receivable at year-end consisted of tuition, excess costs and other miscellaneous reimbursements of \$87,427. Also, several special revenue funds recorded intergovernmental receivables for state and federal grants and reimbursements totaling \$185,672.

WOODRIDGE LOCAL SCHOOL DISTRICTNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

<i>Governmental Activities</i>	<i>Balance June 30, 2007</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2008</i>
<i>Capital assets, not being depreciated:</i>				
<i>Land</i>	\$ 709,759	\$ 130,000	\$ -	\$ 839,759
<i>Construction in progress</i>	<u>1,059,521</u>	<u>-</u>	<u>(1,059,521)</u>	<u>-</u>
<i>Total capital assets, not being depreciated</i>	<u>1,769,280</u>	<u>130,000</u>	<u>(1,059,521)</u>	<u>839,759</u>
<i>Capital assets, being depreciated:</i>				
<i>Land improvements</i>	1,198,892	-	-	1,198,892
<i>Buildings and improvements</i>	19,059,440	1,089,391	-	20,148,831
<i>Furniture, fixtures and equipment</i>	2,590,927	71,059	(22,241)	2,639,745
<i>Vehicles</i>	<u>1,351,872</u>	<u>113,806</u>	<u>(23,267)</u>	<u>1,442,411</u>
<i>Total capital assets, being depreciated</i>	<u>24,201,131</u>	<u>1,274,256</u>	<u>(45,508)</u>	<u>25,429,879</u>
<i>Less: Accumulated depreciation</i>				
<i>Land improvements</i>	(1,198,892)	-	-	(1,198,892)
<i>Buildings and improvements</i>	(7,101,951)	(370,564)	-	(7,472,515)
<i>Furniture, fixtures and equipment</i>	(1,745,121)	(147,654)	18,221	(1,874,554)
<i>Vehicles</i>	<u>(907,195)</u>	<u>(83,809)</u>	<u>23,267</u>	<u>(967,737)</u>
<i>Total accumulated depreciation</i>	<u>(10,953,159)</u>	<u>(602,027)</u>	<u>41,488</u>	<u>(11,513,698)</u>
<i>Total capital assets being depreciated, net</i>	<u>13,247,972</u>	<u>672,229</u>	<u>(4,020)</u>	<u>13,916,181</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 15,017,252</u>	<u>\$ 802,229</u>	<u>\$ (1,063,541)</u>	<u>\$ 14,755,940</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
<i>Regular</i>	\$ 357,267
<i>Special</i>	15,702
<i>Vocational</i>	6,348
<i>Support services:</i>	
<i>Pupils</i>	1,277
<i>Instructional staff</i>	44,031
<i>Administration</i>	42,167
<i>Operation and maintenance of plant</i>	11,907
<i>Pupil transportation</i>	86,014
<i>Food service operations</i>	35,863
<i>Extracurricular activities</i>	<u>1,451</u>
<i>Total Depreciation</i>	<u>\$ 602,027</u>

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2008 consisted of the following:

<i>Due to general fund from:</i>	
<i>Nonmajor governmental funds</i>	\$ 154,776

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2008, all interfund loans outstanding are anticipated to be repaid in fiscal year 2009.

Interfund transfers for the year ended June 30, 2008, consisted of the following:

<i>Transfers from general fund to:</i>	
<i>Nonmajor governmental funds</i>	\$ 75,108

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

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 - ACCOUNTABILITY

As of June 30, 2008, a few special revenue funds had deficit fund balances. These deficits were caused by the application of GAAP. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The following funds had deficit balances:

<i>Fund</i>	<i>Amount</i>
<i>Food service</i>	\$ 32,577
<i>Miscellaneous state grants</i>	4,645
<i>Title VI</i>	647

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District provides life insurance and accidental death and dismemberment insurance to its employees. The School District has contracted with the Ohio Mid Eastern Regional Educational Service Agency (OME-RESA) to provide medical/surgical and dental insurance for its employees and their covered dependents. The OME-RESA is a shared risk pool comprised of multiple entities. The School District pays monthly contributions that are placed in a fund from which eligible claims are paid for employees and their covered dependents. Claims are paid for all participants regardless of claims flow. The School District has a specific stop loss policy of \$35,000. In the event of termination, all participating entities' claims would be paid without regard to their individual account balances. The OME-RESA Board of Directors has authority to return monies to an exiting entity subsequent to the settlement of all claims and expenses.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$306,284, \$333,875 and \$319,649 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. 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 plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$1,231,783, \$1,135,851, and \$1,038,425 respectively; 83 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$6,570 made by the School District and \$6,257 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2% of wages paid for those that choose Social Security.

NOTE 12 - POST-EMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$42,634.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$182,401, \$160,333, and \$143,689 respectively; 45 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$22,069, \$20,632, and \$19,940 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$123,463, \$109,551, and \$108,767 respectively; 82 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2008

NOTE 13 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

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

<u>General Long-term Obligations</u>	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>	<u>Due within</u> <u>one year</u>
<u>General Obligation Bonds</u>					
1994 School Improvement	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000	\$ 825,000
2001 School Improvement Refunding					
Serial bonds	6,730,000	-	-	6,730,000	40,000
Capital appreciation bonds	243,422	-	(243,422)	-	-
Accretion on bonds	1,350,089	69,915	(1,420,004)	-	-
Stadium Improvement	400,000	-	(35,000)	365,000	40,000
Subtotal bonds	<u>15,723,511</u>	<u>69,915</u>	<u>(1,698,426)</u>	<u>14,095,000</u>	<u>905,000</u>
<u>Other Obligations</u>					
Compensated absences	776,438	343,569	(132,739)	987,268	303,130
Capital leases	55,890	-	(12,416)	43,474	13,618
Subtotal other obligations	<u>832,328</u>	<u>343,569</u>	<u>(145,155)</u>	<u>1,030,742</u>	<u>316,748</u>
Total general long-term obligations	<u>\$ 16,555,839</u>	<u>\$ 413,484</u>	<u>\$ (1,843,581)</u>	<u>\$ 15,125,742</u>	<u>\$ 1,221,748</u>

General Obligation Bonds: General obligation bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the bond retirement debt service fund.

On September 17, 2001, the District issued \$8.2 million in general obligation bonds with an average interest rate of 3.9 percent to advance refund \$8.21 million of outstanding School Improvement Bonds with an average interest rate of 5.9 percent. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the portion of the bonds refunded. As a result, the bonds (portion refunded) are considered to be defeased and the liability is not reported by the School District. These newer bonds include serial and capital appreciation bonds.

Compensated absences: Compensated absences will be paid from the fund from which the person is paid. In prior years, compensated absences were typically paid from the general fund.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Capital Leases: Capital lease obligations will be paid from the general fund.

Principal and interest requirements to amortize all bonds outstanding at June 30, 2008 are as follows:

<u>1994 School Improvement</u>					
<u>Fiscal</u>	<u>Interest</u>				
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2009	6.80%	\$ 825,000	\$ 447,950	\$ 1,272,950	<i>Original bonds maturing in fiscal years 2006-2008 and after 2015 were refunded.</i>
2010	6.80%	880,000	389,900	1,269,900	
2011	6.80%	940,000	328,100	1,268,100	
2012	6.80%	1,000,000	262,140	1,262,140	
2013	6.80%	1,070,000	191,760	1,261,760	
2014-2015	6.80%	<u>2,285,000</u>	<u>158,270</u>	<u>2,443,270</u>	
<i>Total</i>		<u>\$ 7,000,000</u>	<u>\$ 1,778,120</u>	<u>\$ 8,778,120</u>	

<u>2001 School Improvement Refunding</u>					
<u>Fiscal</u>	<u>Interest</u>				
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2009	3.80%	\$ 40,000	\$ 309,342	\$ 349,342	<i>Bonds maturing in fiscal years 2007 and 2008 are capital appreciation bonds with and approximate yield</i>
2010	3.95%	45,000	307,694	352,694	
2011	4.05%	45,000	305,894	350,894	
2012	4.15%	50,000	303,945	353,945	
2013	4.25%	50,000	301,845	351,845	
2014-2018	4.40-4.80%	3,880,000	1,235,056	5,115,056	
2019-2020	4.40-4.80%	<u>2,620,000</u>	<u>120,040</u>	<u>2,740,040</u>	
<i>Total</i>		<u>\$ 6,730,000</u>	<u>\$ 2,883,816</u>	<u>\$ 9,613,816</u>	

<u>Stadium Improvement Bonds, Series 2005</u>					
<u>Fiscal</u>	<u>Interest</u>				
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2009	5.79%	\$ 40,000	\$ 21,134	\$ 61,134	
2010	5.79%	40,000	18,897	58,897	
2011	5.79%	40,000	16,501	56,501	
2012	5.79%	45,000	14,185	59,185	
2013	5.79%	45,000	11,580	56,580	
2014-2016	5.79%	<u>155,000</u>	<u>18,239</u>	<u>173,239</u>	
<i>Total</i>		<u>\$ 365,000</u>	<u>\$ 100,536</u>	<u>\$ 465,536</u>	

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During a previous fiscal year, the School District entered into three capital lease agreements for the acquisition of copiers and other equipment. The terms of each agreement provide options to purchase the equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers all benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements of governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized as equipment in the amount of \$81,376 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled \$12,416.

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

<i>Fiscal Year</i>	<i>Lease Payments</i>
2009	\$ 17,073
2010	17,073
2011	12,732
2012	<u>3,037</u>
<i>Total minimum lease payments</i>	49,915
<i>Less: amount representing interest</i>	<u>(6,441)</u>
<i>Total</i>	<u>\$ 43,474</u>

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. A board made up of superintendents from all of the participating districts governs NEONET. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEONET are made from the general fund. During fiscal year 2008, the School District contributed \$51,717 to NEONET.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 16 - CONTINGENCIES

The School District is party to legal proceedings. However, the School District's management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

NOTE 17 - STATUTORY RESERVES

The School District is required by State statute to annually set-aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. Although the School District had offsets and/or qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks and/or instructional materials. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Total</i>
<i>Set-aside cash balance as of June 30, 2007</i>	\$ 297,957	\$ -	\$ 297,957
<i>Current year set-aside requirement</i>	295,484	295,484	590,968
<i>Qualifying disbursements</i>	<u>(439,097)</u>	<u>(365,376)</u>	<u>(804,473)</u>
<i>Total</i>	<u>\$ 154,344</u>	<u>\$ (69,892)</u>	<u>\$ 84,452</u>
<i>Balance carried forward to future years</i>	<u>\$ 154,344</u>		<u>\$ 154,344</u>

WOODRIDGE LOCAL SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<u>U.S. Department of Agriculture</u>				
Passed Through the Ohio Department of Education				
Food Distribution - Commodities - See Note 2	N/A	10.550	\$ 37,775	\$ 37,775
Nutritional Cluster:				
National School Lunch Program	05-PU-08	10.555	232,236	232,236
Breakfast Program	06-PU-08	10.553	79,967	79,967
Total Nutritional Cluster			312,203	312,203
Total U.S. Department of Agriculture			349,978	349,978
<u>U.S. Department of Education</u>				
Pass through Ohio Department of Education				
Title I - Financial Assistance to Meet Special Education Needs of Disadvantaged Children				
Title I - FY 07	C1-S1-07	84.010	38,924	47,286
Title I - FY 08	C1-S1-08	84.010	357,834	380,305
Total Title I			396,758	427,591
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children				
Title VI - B - FY 07	6B-SF-07P	84.027	-	39,053
Title VI - B - FY 08	6B-SF-08P	84.027	373,070	399,635
Total Title VI - B			373,070	438,688
Drug - Free School Grant				
Drug - Free School Grant - FY07	DR-S1-07	84.186	1,050	500
Drug - Free School Grant - FY08	DR-S1-08	84.186	8,182	7,197
Total Drug - Free School Grant			9,232	7,697
Innovative Education Program Strategies				
Innovative Education Program Strategies - FY07	C2-S1-07	84.298	-	31
Innovative Education Program Strategies - FY08	C2-S1-08	84.298	284	4,590
Total Innovative Education Program Strategies			284	4,621
Title II - D, Education Technology State Grants				
Title II - D - FY07	CR-S1-07	84.318	2,613	542
Title II - D - FY08	CR-S1-08	84.318	4,137	4,096
Total Title II-D			6,750	4,638
Title III Immigrant				
Title III Immigrant - FY07	N/A	84.365	-	289
Title III Immigrant - FY08	N/A	84.365	9,724	9,609
Total Title III Immigrant			9,724	9,898
Title II-A				
Title II-A FY 07	N/A	84.367	5,095	8,616
Title II-A FY 08	N/A	84.367	78,480	76,503
Total Title II-A			83,575	85,119
Total U.S. Department of Education			879,393	978,252
Total Federal Expenditures			\$ 1,229,371	\$ 1,328,230

See accompanying Notes to the Schedule of Federal Awards Expenditures

WOODRIDGE LOCAL SCHOOL DISTRICT
Summit County
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

1. Significant Accounting Policies

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

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2008, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

3. Matching Requirements

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal funds is not included on this schedule.

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

Woodridge Local School District
Summit County
4411 Quick Road
Peninsula, Ohio 44264

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 the Woodridge Local School District, Summit County (the District) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

Charles E. Harris & Associates, Inc.
December 29, 2008

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

Rockefeller Building
614 West Superior Avenue #1242
Cleveland, OH 44113-1306
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Fax - (216) 436-2411

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

Woodridge Local School District
Summit County
4411 Quick Road
Peninsula, Ohio 44264

To the Board of Education:

Compliance

We have audited the compliance of the Woodridge Local School District, Summit County (District), with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

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

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

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

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

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

Charles E. Harris & Associates, Inc.

December 29, 2008

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

**WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
June 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Title II-A - CFDA# 84.367 Nutrition Cluster: National School Lunch Program - CFDA# 10.555 Breakfast Program - CFDA# 10.553
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
June 30, 2008

**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.

**WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
JUNE 30, 2008**

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the year ending June 30, 2007, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT 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
MARCH 3, 2009