



**WOOSTER CITY SCHOOL DISTRICT  
WAYNE COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2020**



**WOOSTER CITY SCHOOL DISTRICT  
WAYNE COUNTY  
JUNE 30, 2020**

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WAYNE COUNTY  
JUNE 30, 2018**

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wooster City School District, Wayne County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wooster City School District, Wayne County, Ohio, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 2020, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 4, 2021

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The management's discussion and analysis of Wooster City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- In total, net position decreased \$5,013,590 from 2019's restated net position. Net position of governmental activities decreased \$5,484,941 from 2019's restated net position. Business-type activities net position increased \$471,351 from 2019.
- For the governmental activities, general revenues accounted for \$44,080,799 in revenue or 85.60% of total revenues. For the governmental activities, program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for \$7,415,984 or 14.40% of total revenues.
- Total revenues for fiscal year 2020 were \$53,188,632. Of this total, \$51,496,783 was reported in the governmental activities and \$1,691,849 in the business-type activities.
- The District had \$56,531,724 in expenses related to governmental activities; only \$7,415,984 of these expenses was offset by program specific charges for services, operating/capital grants or contributions resulting in a net cost of \$49,115,740 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$44,080,799 were not adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$45,006,838 in revenues and other financing sources and \$46,905,686 in expenditures and other financing uses. During fiscal year 2020, the general fund's fund balance decreased \$1,898,848 from a restated balance of \$40,365,677 to \$38,466,829.
- The District's major enterprise fund is the education costs for outside entities fund. The education costs for outside entities fund had \$197,129 in operating revenues, a credit of \$100,443 in operating expenses as a result in decreased accrued wages due to the District not providing educational services to outside entities during the 2019-2020 fiscal year, \$17,454 in nonoperating revenues, and \$4,536 in nonoperating expenses. During fiscal year 2020, the education costs for outside entities fund's net position increased \$310,490 from a deficit balance of \$1,084,872 to a deficit balance of \$774,382.

**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 the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as major funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the 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 District's 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 position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's food service, uniform school supplies, recreation center, education costs for outside entities, and before/after school child care are reported as business activities.

The District's statement of net position and statement of activities can be found on pages 19-21 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 14 and the analysis of the District's enterprise funds begins on page 16. Fund financial reports provide detailed information about the District's major funds.

The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund. The District reports the education costs for outside entities fund as a major enterprise fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 22-26 of this report.

***Proprietary Funds***

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The basic proprietary fund financial statements can be found on pages 27-29 of this report.

**Reporting the District's Fiduciary Responsibilities**

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in a custodial fund. The District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 30 and 31. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 33-80.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability. The required supplementary information can be found on pages 82-97 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.

**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	Restated 2019	2020	2019	2020	Restated 2019
<b>Assets</b>						
Current and other assets	\$ 76,426,963	\$ 73,811,854	\$ 1,474,682	\$ 1,426,755	\$ 77,901,645	\$ 75,238,609
Net OPEB asset	2,817,212	2,643,562	38,775	132,457	2,855,987	2,776,019
Capital assets, net	44,394,411	46,216,933	1,233,887	1,289,325	45,628,298	47,506,258
Total assets	123,638,586	122,672,349	2,747,344	2,848,537	126,385,930	125,520,886
<b>Deferred outflows</b>						
Pension	10,640,379	12,543,207	251,495	771,536	10,891,874	13,314,743
OPEB	1,575,762	816,905	69,966	73,890	1,645,728	890,795
Total deferred outflows	12,216,141	13,360,112	321,461	845,426	12,537,602	14,205,538
<b>Liabilities</b>						
Current liabilities	6,894,076	6,243,600	176,675	416,828	7,070,751	6,660,428
Long-term liabilities						
Due within one year	537,939	480,053	11,425	14,852	549,364	494,905
Due in more than one year						
Net pension liability	48,993,727	46,434,850	1,546,378	3,048,560	50,540,105	49,483,410
Net OPEB liability	4,914,112	5,067,392	444,276	610,388	5,358,388	5,677,780
Other amounts	3,383,530	3,526,585	77,811	253,086	3,461,341	3,779,671
Total liabilities	64,723,384	61,752,480	2,256,565	4,343,714	66,979,949	66,096,194
<b>Deferred inflows</b>						
Property taxes	27,451,334	24,657,333	-	-	27,451,334	24,657,333
Pension	2,156,176	2,856,900	1,195,974	395,994	3,352,150	3,252,894
OPEB	4,763,987	4,520,961	548,140	357,480	5,312,127	4,878,441
Total deferred inflows	34,371,497	32,035,194	1,744,114	753,474	36,115,611	32,788,668
<b>Net position</b>						
Net investment in capital assets	44,323,489	46,083,862	1,233,887	1,289,325	45,557,376	47,373,187
Restricted	2,035,722	1,427,793	-	-	2,035,722	1,427,793
Unrestricted (deficit)	(9,599,365)	(5,266,868)	(2,165,761)	(2,692,550)	(11,765,126)	(7,959,418)
Total net position (deficit)	\$ 36,759,846	\$ 42,244,787	\$ (931,874)	\$ (1,403,225)	\$ 35,827,972	\$ 40,841,562

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

During fiscal year 2020, capital assets, net decreased as additions of \$703,889 were exceeded by depreciation expense of \$2,538,451 and disposals, net of \$43,398. Current and other assets increased due primarily to an increase in equity in pooled cash and cash equivalents as a result of current year operations.

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 12 for more detail.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

Current liabilities increased mainly due to an increase accounts payable due to the District performing building maintenance at the end of the fiscal year. Long-term liabilities increased primarily due to an increase in the net pension liability. This liability is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

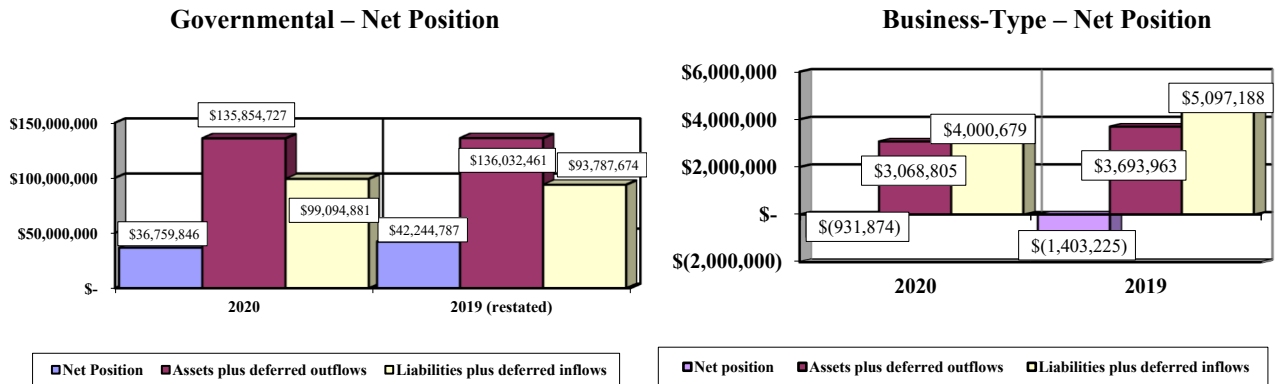
Deferred inflows related to OPEB increased primarily due to changes in assumptions by STRS. See Note 13 for more detail.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$35,827,972. Of this total, \$2,035,722 is restricted in use.

At year-end, capital assets represented 36.10% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, equipment, and vehicles, infrastructure, and an ice arena. The net investment in capital assets at June 30, 2020, was \$45,557,376. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$2,035,722, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$11,765,126, which is primarily caused by the reporting of the net pension liability described on page 9.

The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The table below shows the change in net position for fiscal years 2020 and 2019. Due to practicality, 2019 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB No. 84 (see Note 3). Rather, the cumulative impact of applying GASB No. 84 is reflected in the beginning net position for 2019.

**Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 1,613,972	\$ 1,435,789	\$ 706,431	\$ 2,742,501	\$ 2,320,403	\$ 4,178,290
Operating grants and contributions	5,802,012	4,373,157	960,955	1,037,187	6,762,967	5,410,344
General revenues:						
Property taxes	28,489,890	29,588,621	-	-	28,489,890	29,588,621
Grants and entitlements	14,621,285	15,918,722	-	-	14,621,285	15,918,722
Investment earnings	880,570	961,819	19,368	7,017	899,938	968,836
Other	89,054	59,845	5,095	5,846	94,149	65,691
Total revenues	51,496,783	52,337,953	1,691,849	3,792,551	53,188,632	56,130,504
<b>Expenses</b>						
Program expenses:						
Instruction:						
Regular	21,079,636	17,175,853	-	-	21,079,636	17,175,853
Special	8,986,678	7,186,165	-	-	8,986,678	7,186,165
Vocational	128,502	152,988	-	-	128,502	152,988
Other	3,709,040	3,336,108	-	-	3,709,040	3,336,108
Support services:						
Pupil	2,392,299	2,006,095	-	-	2,392,299	2,006,095
Instructional staff	1,422,705	1,146,329	-	-	1,422,705	1,146,329
Board of education	101,881	199,614	-	-	101,881	199,614
Administration	3,838,359	3,055,292	-	-	3,838,359	3,055,292
Fiscal	1,039,683	913,073	-	-	1,039,683	913,073
Business	133,866	176,331	-	-	133,866	176,331
Operations and maintenance	7,955,123	7,523,169	-	-	7,955,123	7,523,169
Pupil transportation	3,036,627	2,147,646	-	-	3,036,627	2,147,646
Central	722,039	658,452	-	-	722,039	658,452
Operation of non-instructional services	822,551	888,686	-	-	822,551	888,686
Extracurricular activities	1,066,035	746,771	-	-	1,066,035	746,771
Depreciation expense	-	-	-	-	-	-
not included in other functions	90,356	90,356	-	-	90,356	90,356
Interest and fiscal charges	6,344	17,775	-	-	6,344	17,775
Food service	-	-	1,495,206	1,531,879	1,495,206	1,531,879
Uniform school supplies	-	-	2,364	4,708	2,364	4,708
Recreation Center	-	-	159,053	189,454	159,053	189,454
Education costs for outside entities	-	-	(95,907)	1,456,361	(95,907)	1,456,361
Before/after school child care	-	-	109,782	111,757	109,782	111,757
Total expenses	56,531,724	47,420,703	1,670,498	3,294,159	58,202,222	50,714,862
Changes in net position	(5,484,941)	4,917,250	471,351	498,392	(5,013,590)	5,415,642
Net position (deficit)						
at beginning of year (restated)	42,244,787	37,327,537	(1,403,225)	(1,901,617)	40,841,562	35,425,920
Net position (deficit) at end of year	\$ 36,759,846	\$ 42,244,787	\$ (931,874)	\$ (1,403,225)	\$ 35,827,972	\$ 40,841,562

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Governmental Activities**

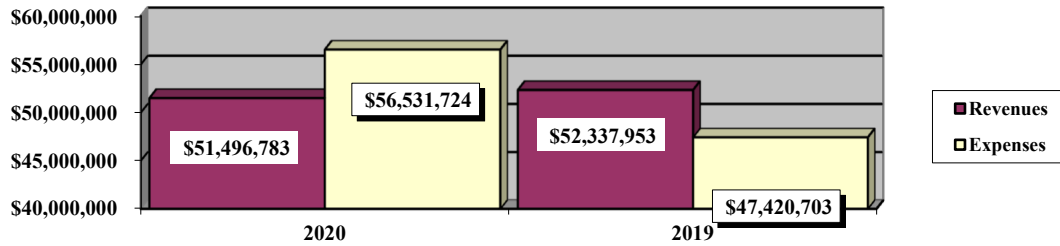
For fiscal year 2020, the net position of the District’s governmental activities decreased \$5,484,941 from 2019’s restated net position. Total governmental expenses of \$56,531,724 were offset by program revenues of \$7,415,984 and general revenues of \$44,080,799 were not adequate to provide for these activities. Program revenues supported 13.12% of the total governmental expenses. Program revenues increased \$1,607,038 or 27.66% primarily due to increased operating grants and contributions.

Overall, expenses of the governmental activities increased \$9,111,021 or 19.21%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment (“COLA”) and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in a prior fiscal year.

On an accrual basis, the District reported \$7,585,623 and \$4,514,157 in pension expense for fiscal year 2020 and 2019, respectively. In addition, the District reported (\$733,268) and (\$5,405,941) in OPEB expense for fiscal year 2020 and 2019, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2019 to fiscal year 2020 was \$7,744,139. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities.

The graph below presents the District’s governmental activities revenue and expenses for fiscal year 2020 and 2019.

**Governmental Activities - Revenues and Expenses**





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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

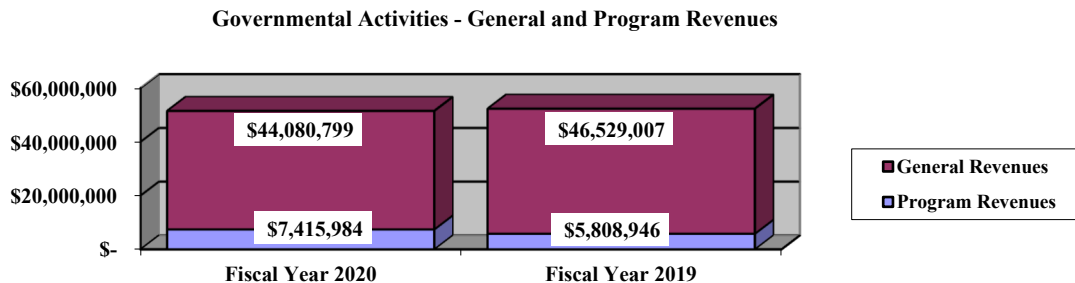
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2020 and 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Program expenses:				
Instruction:				
Regular	\$ 21,079,636	\$ 19,326,775	\$ 17,175,853	\$ 16,137,954
Special	8,986,678	5,843,098	7,186,165	4,117,462
Vocational	128,502	40,499	152,988	64,985
Other	3,709,040	3,649,064	3,336,108	3,296,560
Support services:				
Pupil	2,392,299	1,911,422	2,006,095	1,938,732
Instructional staff	1,422,705	743,711	1,146,329	722,920
Board of education	101,881	101,881	199,614	199,614
Administration	3,838,359	3,805,226	3,055,292	3,023,672
Fiscal	1,039,683	1,009,516	913,073	890,766
Business	133,866	133,866	176,331	176,331
Operations and maintenance	7,955,123	7,927,511	7,523,169	7,490,406
Pupil transportation	3,036,627	2,878,549	2,147,646	2,009,485
Central	722,039	709,439	658,452	647,652
Operation of non-instructional services	822,551	277,063	888,686	362,296
Extracurricular activities	1,066,035	661,420	746,771	424,791
Depreciation expense not included in other functions	90,356	90,356	90,356	90,356
Interest and fiscal charges	6,344	6,344	17,775	17,775
<b>Total expenses</b>	<b>\$ 56,531,724</b>	<b>\$ 49,115,740</b>	<b>\$ 47,420,703</b>	<b>\$ 41,611,757</b>

The dependence upon tax revenues during fiscal year 2020 for governmental activities is apparent, as 85.12% of 2020 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 86.88%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2020 and 2019.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Business-type Activities**

Business-type activities include food service operation, uniform school supplies, recreation center, education costs for outside entities, and before/after school child care program. These programs had revenues of \$1,691,849 and expenses of \$1,670,498 for fiscal year 2020. Management reviews these programs to develop policies to allow these services to become self-supporting, exclusive of the impact of the reporting related to GASB 68 and GASB 75 as previously discussed.

The District's largest business-type activities are food service and education costs for outside entities operations. Food service operations had \$332,839 in charges for services and sales, \$960,955 in operating grants and contributions and had total expenses of \$1,495,206. Food service program revenues were not sufficient to support food service expenses by \$201,412. Education costs for outside entities had \$197,129 in charges for services and sales and had total expenses of a credit of \$95,907 as a result in decreased accrued wages due to the District not providing educational services to outside entities during the 2019-2020 fiscal year. Education costs for outside entities program revenues were sufficient to support expenses by \$293,036.

**The District's Funds**

**Governmental Funds**

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$39,880,010, which is more than last year's restated fund total of \$41,353,102.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and 2019. The fund balances at June 30, 2019 have been restated as described in Note 3.

	Fund Balance <u>June 30, 2020</u>	Restated Fund Balance <u>June 30, 2019</u>	<u>Change</u>
General	\$ 38,466,829	\$ 40,365,677	\$ (1,898,848)
Other governmental	<u>1,413,181</u>	<u>987,425</u>	<u>425,756</u>
Total	<u>\$ 39,880,010</u>	<u>\$ 41,353,102</u>	<u>\$ (1,473,092)</u>

**General Fund**

The District's general fund balance decreased \$1,898,848. The table that follows assists in illustrating the revenues of the general fund.

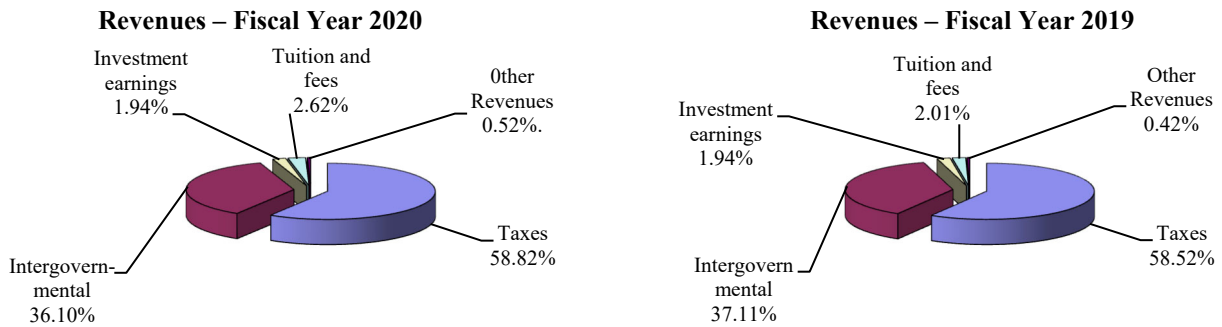
	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues</b>				
Property and other taxes	\$ 26,428,033	\$ 27,782,351	\$ (1,354,318)	(4.87) %
Intergovernmental	16,220,140	17,617,697	(1,397,557)	(7.93) %
Investment earnings	872,457	922,417	(49,960)	(5.42) %
Tuition and fees	1,175,064	952,171	222,893	23.41 %
Other revenues	<u>231,809</u>	<u>197,865</u>	<u>33,944</u>	17.16 %
Total	<u>\$ 44,927,503</u>	<u>\$ 47,472,501</u>	<u>\$ (2,544,998)</u>	(5.36) %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Property and other taxes revenue decreased \$1,354,318. Property taxes collected and available as advance are recognized as revenue in the year the District could draw on these advances rather than when cash is received. The amounts that were available as advance were \$1,735,000, \$3,993,644, and \$3,500,000 at June 30, 2020, 2019, and 2018, respectively. Fluctuations in the amounts collected and available as advance will impact property tax revenues reported for the respective fiscal year. For fiscal year 2020, the amount collected by the County Auditor at June 30, 2020 decreased due to the current economic conditions as a result of the COVID-19 pandemic, causing a decrease in the amount available for advance at June 30, 2020. The decrease in the amount available for advance led to a decrease in property tax revenue on a GAAP basis. Actual general fund tax receipts (cash-basis) for fiscal year 2020 and 2019 were \$28,686,677 and \$27,288,707, respectively. Investment earnings decreased \$49,960 or 5.42% due decreased interest rates on investments. Tuition and fees revenues increased \$222,893 or 23.41% due primarily to increased open enrollment from the prior year. Other revenues increased \$33,944 or 17.16% from fiscal year 2019 primarily due to an increase in miscellaneous revenues such as refunds, reimbursements and monies from other local sources. Intergovernmental revenues decreased \$1,397,557 or 7.93% due to decreased payments from the State of Ohio in the form of foundation payments.

The graphs below show the District's revenues, by source, for fiscal year 2020 and 2019:



The table that follows assists in illustrating the expenditures of the general fund.

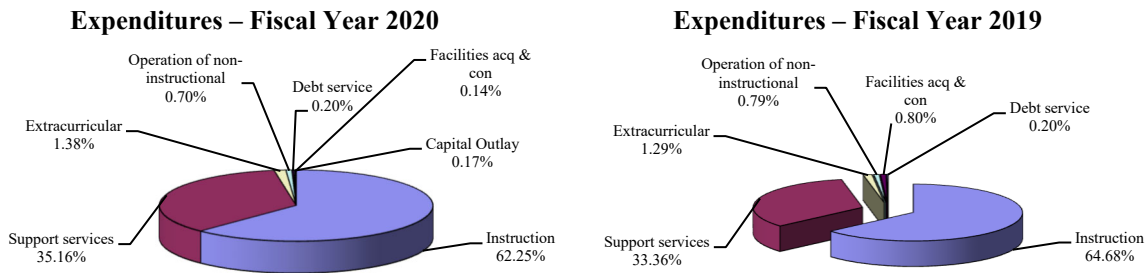
	2020 <u>Amount</u>	2019 <u>Amount</u>	Increase (Decrease)	Percentage Change
<b><u>Expenditures</u></b>				
Instruction	\$ 28,909,398	\$ 28,574,024	\$ 335,374	1.17 %
Support services	16,325,154	14,997,647	1,327,507	8.85 %
Operation of non-instructional services	326,819	355,843	(29,024)	(8.16) %
Extracurricular activities	639,211	577,738	61,473	10.64 %
Facilities acquisition and construction	63,285	358,320	(295,035)	(82.34) %
Capital outlay	79,335	-	79,335	100.00 %
Debt service	92,484	90,072	2,412	2.68 %
<b>Total</b>	<b><u>\$ 46,435,686</u></b>	<b><u>\$ 44,953,644</u></b>	<b><u>\$ 1,482,042</u></b>	<b>3.30 %</b>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

In total, expenditures increased 3.30% from 2019 primarily due to normal and customary wage and benefit increases. Support services increased primarily in operations and maintenance due to the District doing routine maintenance projects. Extracurricular activities expense increased due to more participation in activities. Facilities acquisition and construction decreased due to the District purchasing capitalized office space for the food service and maintenance department in the prior fiscal year. Capital outlay increased due to the District entering into a new capital lease for printer equipment. All other expenditures remained consistent by dollar amount with fiscal year 2019.

The graphs below show the District’s expenditures, by functional area, for fiscal year 2020 and 2019:



***Nonmajor Governmental Funds***

The nonmajor governmental funds had \$5,761,146 in revenues and other financing sources and \$5,335,390 in expenditures. During fiscal 2020, the nonmajor governmental fund’s fund balance increased \$425,756 from \$987,425 to \$1,413,181.

***Enterprise Funds***

The District’s enterprise funds reported operating revenues of \$711,526, operating expenses of \$1,665,962, nonoperating revenues of \$980,323, and nonoperating expense of \$4,536. The enterprise funds also reported a transfer in of \$450,000. Net position of the enterprise funds increased \$471,351 from a deficit of \$1,403,225 to a deficit of \$931,874. The enterprise funds reported an operating loss of \$954,436. Nonoperating revenues of \$980,323 were sufficient to report a positive change in net position.

**General Fund Budgeting Highlights**

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

For the general fund, the final budgeted revenue and other financing sources were \$47,829,884. The original budgeted revenue and other financing sources were \$46,700,000. Actual revenue and other financing sources were \$48,802,194. The difference between the final budgeted revenues and other financing sources and the actual revenues and other financing sources was \$972,310. The positive variance of \$1,664,211 between actual and final budgeted property tax revenue was due to increased collections. The difference between the original and final budget of \$1,129,884 was primarily due to anticipated increases in state funding.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$49,383,536. This amount was \$3,692,451 less than the final budgeted amount (appropriations plus prior year encumbrances) primarily due to an overestimation of other instruction expenditures. The final budgeted expenditures and other financing uses and the original budgeted amount were \$53,075,987. Overall, fund balance on the budget basis decreased \$581,342 over the prior year.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2020, the District had \$45,628,298 invested in land, land improvements, buildings and improvements, furniture, equipment, and vehicles, infrastructure, and ice arena. Of this total, \$44,394,411 was reported in governmental activities and \$1,233,887 was reported in business-type activities.

The table below shows fiscal 2020 balances compared to 2019:

**Capital Assets at June 30 (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	Restated				Restated	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 2,427,622	\$ 2,427,622	\$ -	\$ -	\$ 2,427,622	\$ 2,427,622
Land improvements	766,892	1,283,858	-	-	766,892	1,283,858
Buildings and improvements	33,914,722	34,810,415	1,233,887	1,284,594	35,148,609	36,095,009
Furniture, equipment, and vehicles	4,366,477	4,675,457	-	4,731	4,366,477	4,680,188
Infrastructure	117,656	128,183	-	-	117,656	128,183
Ice arena	2,801,042	2,891,398	-	-	2,801,042	2,891,398
<b>Total</b>	<b><u>\$ 44,394,411</u></b>	<b><u>\$ 46,216,933</u></b>	<b><u>\$ 1,233,887</u></b>	<b><u>\$ 1,289,325</u></b>	<b><u>\$ 45,628,298</u></b>	<b><u>\$ 47,506,258</u></b>

Overall capital assets, net of accumulated depreciation, decreased \$1,877,960 from fiscal year 2019 to fiscal year 2020. Capital outlays of \$703,889 were exceeded by depreciation expense of \$2,538,451 and disposals, net of \$43,398 during the year. See Note 7 to the basic financial statements for more detail on the District's capital assets.

**Debt Administration**

At June 30, 2020, the District has \$137,443 in long-term debt outstanding. Of this total, \$118,212 is due within one year and \$19,231 is due in greater than one year. The following table summarizes outstanding long-term debt:

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	<u>2020</u>	<u>2019</u>
<b>Long Term Debt:</b>		
Capital leases	<u>\$ 137,443</u>	<u>\$ 144,248</u>

See Note 8 to the basic financial statements for more detail on the District's long-term obligations.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Current Financial Related Activities**

The District continues to receive strong support from the residents of the District. As the preceding information shows, the District relies heavily on its local property taxpayers.

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

Thus, the District's dependency upon property taxes is hampered by a lack of revenue growth and requires regular return to the voters to maintain a constant level of service. Property taxes made up 55.32% of revenues for governmental activities for the Wooster City Schools in fiscal year 2020.

The District has been affected by changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. During the summer of 2005, the Ohio legislature approved Ohio House Bill 66, which includes the phased-out elimination of the tangible personal property tax. This affected taxes on all business tangible property and public utility property (telephone companies and railroads) – roughly 20% of the District's general fund revenues. For fiscal year 2021, this revenue source is expected to provide approximately \$2,259,500, or 4.9%, of the District's total general fund revenue.

The District successfully passed a new continuing 6.5 mill operating levy in the Spring of 2020. The previous levy request for additional general operating dollars was approved by the taxpayers in 2010. Collection on the newly approved millage is scheduled to begin in January 2021.

Given the economic decline and stress that has been placed on our local community during the COVID 19 Pandemic, the Board of Education voted to direct the Wayne County Auditor to temporarily reduce the amount of this new levy millage by 50% to 3.25 mills during the first calendar year of collection in 2021.

**Contacting the District's Financial Management**

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

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

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 44,516,173	\$ 1,455,351	\$ 45,971,524
Receivables:			
Property taxes . . . . .	30,599,885	-	30,599,885
Accounts. . . . .	90,816	1,947	92,763
Intergovernmental . . . . .	1,147,733	-	1,147,733
Prepayments . . . . .	72,356	2,957	75,313
Inventory held for resale. . . . .	-	14,427	14,427
Net OPEB asset (Note 13) . . . . .	2,817,212	38,775	2,855,987
Capital assets:			
Nondepreciable capital assets . . . . .	2,427,622	-	2,427,622
Depreciable capital assets, net. . . . .	41,966,789	1,233,887	43,200,676
Capital assets, net. . . . .	44,394,411	1,233,887	45,628,298
Total assets. . . . .	<u>123,638,586</u>	<u>2,747,344</u>	<u>126,385,930</u>
<b>Deferred outflows of resources:</b>			
Pension (Note 12) . . . . .	10,640,379	251,495	10,891,874
OPEB (Note 13) . . . . .	1,575,762	69,966	1,645,728
Total deferred outflows of resources . . . . .	<u>12,216,141</u>	<u>321,461</u>	<u>12,537,602</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	1,085,031	25,671	1,110,702
Accrued wages and benefits payable . . . . .	4,364,161	129,193	4,493,354
Intergovernmental payable . . . . .	648,524	1,349	649,873
Pension and postemployment benefits payable . . . . .	796,360	20,462	816,822
Long-term liabilities:			
Due within one year. . . . .	537,939	11,425	549,364
Due in more than one year:			
Net pension liability (Note 12) . . . . .	48,993,727	1,546,378	50,540,105
Net OPEB liability (Note 13) . . . . .	4,914,112	444,276	5,358,388
Other amounts due in more than one year . . . . .	3,383,530	77,811	3,461,341
Total liabilities . . . . .	<u>64,723,384</u>	<u>2,256,565</u>	<u>66,979,949</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	27,451,334	-	27,451,334
Pension (Note 12) . . . . .	2,156,176	1,195,974	3,352,150
OPEB (Note 13) . . . . .	4,763,987	548,140	5,312,127
Total deferred inflows of resources . . . . .	<u>34,371,497</u>	<u>1,744,114</u>	<u>36,115,611</u>
<b>Net position:</b>			
Net investment in capital assets . . . . .	44,323,489	1,233,887	45,557,376
Restricted for:			
Capital projects . . . . .	983,511	-	983,511
State funded programs. . . . .	402,879	-	402,879
Federally funded programs . . . . .	344,005	-	344,005
Student activities . . . . .	266,047	-	266,047
Other purposes . . . . .	39,280	-	39,280
Unrestricted (deficit) . . . . .	(9,599,365)	(2,165,761)	(11,765,126)
Total net position (deficit) . . . . .	<u>\$ 36,759,846</u>	<u>\$ (931,874)</u>	<u>\$ 35,827,972</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental activities:</b>			
Instruction:			
Regular . . . . .	\$ 21,079,636	\$ 1,069,825	\$ 683,036
Special . . . . .	8,986,678	137,619	3,005,961
Vocational . . . . .	128,502	-	88,003
Other . . . . .	3,709,040	-	59,976
Support services:			
Pupil . . . . .	2,392,299	-	480,877
Instructional staff . . . . .	1,422,705	773	678,221
Board of education . . . . .	101,881	-	-
Administration . . . . .	3,838,359	1,732	31,401
Fiscal . . . . .	1,039,683	-	30,167
Business . . . . .	133,866	-	-
Operations and maintenance . . . . .	7,955,123	27,612	-
Pupil transportation . . . . .	3,036,627	-	158,078
Central . . . . .	722,039	-	12,600
Operation of non-instructional services . . . . .	822,551	-	545,488
Extracurricular activities . . . . .	1,066,035	376,411	28,204
Depreciation expense not included in other functions (see Note 7) . . . . .	90,356	-	-
Interest and fiscal charges . . . . .	6,344	-	-
Total governmental activities . . . . .	56,531,724	1,613,972	5,802,012
<b>Business-type activities:</b>			
Food service . . . . .	1,495,206	332,839	960,955
Uniform school supplies . . . . .	2,364	548	-
Recreation center . . . . .	159,053	82,643	-
Education costs for outside entities . . . . .	(95,907)	197,129	-
Before/after school child care . . . . .	109,782	93,272	-
Total business-type activities . . . . .	1,670,498	706,431	960,955
Totals . . . . .	\$ 58,202,222	\$ 2,320,403	\$ 6,762,967

**General revenues:**  
Property taxes levied for:  
  General purposes . . . . .  
  Capital outlay . . . . .  
Grants and entitlements not restricted to specific programs . . . . .  
Investment earnings . . . . .  
Miscellaneous . . . . .  
Total general revenues . . . . .  
Transfers . . . . .  
Total general revenues, transfers . . . . .  
Change in net position . . . . .  
**Net position (deficit) at beginning of year (restated) . . . . .**  
**Net position (deficit) at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (19,326,775)	\$ -	\$ (19,326,775)
(5,843,098)	-	(5,843,098)
(40,499)	-	(40,499)
(3,649,064)	-	(3,649,064)
(1,911,422)	-	(1,911,422)
(743,711)	-	(743,711)
(101,881)	-	(101,881)
(3,805,226)	-	(3,805,226)
(1,009,516)	-	(1,009,516)
(133,866)	-	(133,866)
(7,927,511)	-	(7,927,511)
(2,878,549)	-	(2,878,549)
(709,439)	-	(709,439)
(277,063)	-	(277,063)
(661,420)	-	(661,420)
(90,356)	-	(90,356)
(6,344)	-	(6,344)
(49,115,740)	-	(49,115,740)
-	(201,412)	(201,412)
-	(1,816)	(1,816)
-	(76,410)	(76,410)
-	293,036	293,036
-	(16,510)	(16,510)
-	(3,112)	(3,112)
(49,115,740)	(3,112)	(49,118,852)
26,855,284	-	26,855,284
1,634,606	-	1,634,606
14,621,285	-	14,621,285
880,570	19,368	899,938
89,054	5,095	94,149
44,080,799	24,463	44,105,262
(450,000)	450,000	-
43,630,799	474,463	44,105,262
(5,484,941)	471,351	(5,013,590)
42,244,787	(1,403,225)	40,841,562
\$ 36,759,846	\$ (931,874)	\$ 35,827,972

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . .	\$ 41,825,612	\$ 2,690,561	\$ 44,516,173
Receivables:			
Property taxes. . . . .	28,928,482	1,671,403	30,599,885
Accounts . . . . .	65,962	24,854	90,816
Interfund loans . . . . .	911,425	-	911,425
Intergovernmental. . . . .	331,047	816,686	1,147,733
Prepayments. . . . .	68,743	3,613	72,356
Total assets . . . . .	\$ 72,131,271	\$ 5,207,117	\$ 77,338,388
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 639,472	\$ 445,559	\$ 1,085,031
Accrued wages and benefits payable . . . . .	4,202,466	161,695	4,364,161
Compensated absences payable . . . . .	15,000	-	15,000
Intergovernmental payable . . . . .	520,040	128,484	648,524
Pension and postemployment benefits payable . . . . .	768,073	28,287	796,360
Interfund loans payable. . . . .	-	911,425	911,425
Total liabilities. . . . .	6,145,051	1,675,450	7,820,501
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	25,986,133	1,465,201	27,451,334
Delinquent property tax revenue not available. . . . .	1,207,349	66,202	1,273,551
Intergovernmental revenue not available. . . . .	103,444	587,083	690,527
Tuition revenue not available. . . . .	222,465	-	222,465
Total deferred inflows of resources . . . . .	27,519,391	2,118,486	29,637,877
<b>Fund balances:</b>			
Nonspendable:			
Prepays. . . . .	68,743	3,613	72,356
Restricted:			
Capital improvements . . . . .	-	917,309	917,309
Non-public schools . . . . .	-	70,296	70,296
Other purposes. . . . .	-	50,617	50,617
Extracurricular . . . . .	-	266,018	266,018
Student success and wellenss. . . . .	-	320,481	320,481
Assigned:			
Student instruction . . . . .	516,200	-	516,200
Student and staff support. . . . .	993,752	-	993,752
Extracurricular activities . . . . .	3,750	-	3,750
Subsequent year's appropriations . . . . .	3,520,183	-	3,520,183
Other purposes. . . . .	79,492	-	79,492
Unassigned (deficit) . . . . .	33,284,709	(215,153)	33,069,556
Total fund balances . . . . .	38,466,829	1,413,181	39,880,010
Total liabilities, deferred inflows and fund balances	\$ 72,131,271	\$ 5,207,117	\$ 77,338,388

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2020

<b>Total governmental fund balances</b>		\$	39,880,010
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			44,394,411
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,273,551	
Intergovernmental receivable		912,992	
Total		2,186,543	2,186,543
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - Pension		10,640,379	
Deferred inflows - Pension		(2,156,176)	
Net pension liability		(48,993,727)	
Total		(48,993,727)	(40,509,524)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows are not reported in governmental funds.			
Net OPEB asset		2,817,212	
Deferred outflows - OPEB		1,575,762	
Deferred inflows - OPEB		(4,763,987)	
Net OPEB liability		(4,914,112)	
Total		(4,914,112)	(5,285,125)
Long-term liabilities, including capital lease obligations, are not due and payable in the current period and therefore are not reported in the funds.			
Capital lease obligations		(137,443)	
Compensated absences payable		(3,769,026)	
Total		(3,906,469)	(3,906,469)
<b>Net position of governmental activities</b>		\$	36,759,846

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 26,428,033	\$ 1,611,549	\$ 28,039,582
Tuition . . . . .	1,175,064	-	1,175,064
Earnings on investments . . . . .	872,457	27,053	899,510
Extracurricular . . . . .	90,338	290,792	381,130
Classroom materials and fees . . . . .	10,765	75	10,840
Rental income . . . . .	27,612	-	27,612
Contributions and donations . . . . .	14,040	47,658	61,698
Contract services . . . . .	-	8,432	8,432
Other local revenues . . . . .	89,054	-	89,054
Intergovernmental - state . . . . .	16,117,013	1,272,310	17,389,323
Intergovernmental - federal . . . . .	103,127	2,483,277	2,586,404
Total revenues . . . . .	<u>44,927,503</u>	<u>5,741,146</u>	<u>50,668,649</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	18,022,789	697,993	18,720,782
Special . . . . .	7,181,944	1,254,051	8,435,995
Vocational . . . . .	116,067	-	116,067
Other . . . . .	3,588,598	36,472	3,625,070
Support services:			
Pupil . . . . .	1,969,287	298,950	2,268,237
Instructional staff . . . . .	867,999	460,067	1,328,066
Board of education . . . . .	101,353	-	101,353
Administration . . . . .	3,603,863	29,677	3,633,540
Fiscal . . . . .	952,102	53,157	1,005,259
Business . . . . .	134,878	-	134,878
Operations and maintenance . . . . .	5,044,681	196,904	5,241,585
Pupil transportation . . . . .	2,966,041	20,380	2,986,421
Central . . . . .	684,950	12,600	697,550
Operation of non-instructional services . . . . .	326,819	456,488	783,307
Extracurricular activities . . . . .	639,211	324,109	963,320
Facilities acquisition and construction . . . . .	63,285	1,494,542	1,557,827
Capital outlay . . . . .	79,335	-	79,335
Debt service:			
Principal retirement . . . . .	86,140	-	86,140
Interest and fiscal charges . . . . .	6,344	-	6,344
Total expenditures . . . . .	<u>46,435,686</u>	<u>5,335,390</u>	<u>51,771,076</u>
Excess of revenues over (under) expenditures . . . . .	<u>(1,508,183)</u>	<u>405,756</u>	<u>(1,102,427)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	20,000	20,000
Transfers (out) . . . . .	(470,000)	-	(470,000)
Capital lease transaction . . . . .	79,335	-	79,335
Total other financing sources (uses) . . . . .	<u>(390,665)</u>	<u>20,000</u>	<u>(370,665)</u>
Net change in fund balances . . . . .	(1,898,848)	425,756	(1,473,092)
<b>Fund balances</b>			
at beginning of year (restated) . . . . .	40,365,677	987,425	41,353,102
Fund balances at end of year . . . . .	<u>\$ 38,466,829</u>	<u>\$ 1,413,181</u>	<u>\$ 39,880,010</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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, 2020

<b>Net change in fund balances - total governmental funds</b>	\$	(1,473,092)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 703,889	
Current year depreciation	<u>(2,487,549)</u>	
Total		(1,783,660)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(38,862)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property tax revenue	450,308	
Tuition revenue	10,894	
Earnings on investments	(13,074)	
Intergovernmental revenue	<u>234,668</u>	
Total		682,796
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		86,140
Issuances of capital lease transactions are recorded as an other financing source in the funds; however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net position.		
		(79,335)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
		39,292
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		3,824,642
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(7,585,623)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		109,493
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		<u>733,268</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(5,484,941)</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 28,280,272	\$ 27,022,466	\$ 28,686,677	\$ 1,664,211
Tuition. . . . .	1,158,929	935,331	1,175,583	240,252
Earnings on investments . . . . .	857,668	716,318	869,993	153,675
Extracurricular. . . . .	63,707	48,924	64,622	15,698
Classroom materials and fees . . . . .	9,746	9,135	9,886	751
Rental income . . . . .	29,705	29,498	30,132	634
Other local revenues . . . . .	195,483	177,952	198,292	20,340
Intergovernmental - state . . . . .	15,888,842	17,244,404	16,117,173	(1,127,231)
Intergovernmental - federal . . . . .	215,648	215,106	218,747	3,641
<b>Total revenues . . . . .</b>	<u>46,700,000</u>	<u>46,399,134</u>	<u>47,371,105</u>	<u>971,971</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	17,036,807	17,036,807	18,558,165	(1,521,358)
Special. . . . .	6,656,039	6,656,039	7,631,122	(975,083)
Vocational. . . . .	113,645	113,645	133,915	(20,270)
Other. . . . .	7,438,774	7,438,774	3,840,017	3,598,757
Support services:				
Pupil. . . . .	2,276,141	2,276,141	2,321,540	(45,399)
Instructional staff . . . . .	786,044	786,044	874,986	(88,942)
Board of education . . . . .	267,539	267,539	119,768	147,771
Administration. . . . .	3,207,396	3,207,396	3,492,839	(285,443)
Fiscal . . . . .	1,735,797	1,735,797	955,560	780,237
Business . . . . .	224,835	224,835	144,332	80,503
Operations and maintenance. . . . .	6,660,383	6,660,383	5,013,147	1,647,236
Pupil transportation . . . . .	3,629,453	3,629,453	3,217,522	411,931
Central. . . . .	971,727	971,727	697,334	274,393
Operation of non-instructional services . . . . .	297,456	297,456	338,830	(41,374)
Extracurricular activities. . . . .	540,429	540,429	590,924	(50,495)
Facilities acquisition and construction . . . . .	53,706	53,706	63,285	(9,579)
<b>Total expenditures . . . . .</b>	<u>51,896,171</u>	<u>51,896,171</u>	<u>47,993,286</u>	<u>3,902,885</u>
Excess of revenues over (under) expenditures . . . . .	<u>(5,196,171)</u>	<u>(5,497,037)</u>	<u>(622,181)</u>	<u>4,874,856</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	-	-	339	339
Transfers (out). . . . .	(398,859)	(398,859)	(470,000)	(71,141)
Advances in. . . . .	-	1,430,750	1,430,750	-
Advances (out) . . . . .	(780,957)	(780,957)	(920,250)	(139,293)
<b>Total other financing sources (uses) . . . . .</b>	<u>(1,179,816)</u>	<u>250,934</u>	<u>40,839</u>	<u>(210,095)</u>
Net change in fund balance . . . . .	(6,375,987)	(5,246,103)	(581,342)	4,664,761
<b>Fund balance at beginning of year . . . . .</b>	38,567,769	38,567,769	38,567,769	-
<b>Prior year encumbrances appropriated . . . . .</b>	1,575,987	1,575,987	1,575,987	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 33,767,769</u>	<u>\$ 34,897,653</u>	<u>\$ 39,562,414</u>	<u>\$ 4,664,761</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	<b>Education Costs for Outside Entities</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Business-Type Activities - Enterprise Funds</b>
<b>Assets:</b>			
Current:			
Equity in pooled cash and cash equivalents . . .	\$ 1,162,986	\$ 292,365	\$ 1,455,351
Receivables:			
Accounts . . . . .	-	1,947	1,947
Prepayments . . . . .	1,224	1,733	2,957
Inventory held for resale . . . . .	-	14,427	14,427
	<u>1,164,210</u>	<u>310,472</u>	<u>1,474,682</u>
Total current assets . . . . .			
Noncurrent assets:			
Net OPEB asset (Note 13) . . . . .	38,640	135	38,775
Depreciable capital assets, net . . . . .	-	1,233,887	1,233,887
	<u>38,640</u>	<u>1,233,887</u>	<u>1,272,662</u>
Total assets . . . . .	<u>1,202,850</u>	<u>1,544,494</u>	<u>2,747,344</u>
<b>Deferred outflows of resources:</b>			
Pension (Note 12) . . . . .	107,527	143,968	251,495
OPEB (Note 13) . . . . .	5,899	64,067	69,966
	<u>113,426</u>	<u>208,035</u>	<u>321,461</u>
Total deferred outflows of resources . . . . .			
<b>Liabilities:</b>			
Current:			
Accounts payable . . . . .	-	25,671	25,671
Accrued wages and benefits . . . . .	15,430	113,763	129,193
Compensated absences . . . . .	1,225	10,200	11,425
Pension and postemployment			
benefits payable . . . . .	3,177	17,285	20,462
Intergovernmental payable . . . . .	214	1,135	1,349
	<u>20,046</u>	<u>168,054</u>	<u>188,100</u>
Total current liabilities . . . . .			
Long-term liabilities:			
Compensated absences payable . . . . .	32,783	45,028	77,811
Net pension liability (Note 12) . . . . .	548,552	997,826	1,546,378
Net OPEB liability (Note 13) . . . . .	14,089	430,187	444,276
	<u>595,424</u>	<u>1,473,041</u>	<u>2,068,465</u>
Total long-term liabilities . . . . .			
Total liabilities . . . . .	<u>615,470</u>	<u>1,641,095</u>	<u>2,256,565</u>
<b>Deferred inflows of resources:</b>			
Pension (Note 12) . . . . .	1,112,597	83,377	1,195,974
OPEB (Note 13) . . . . .	362,591	185,549	548,140
	<u>1,475,188</u>	<u>268,926</u>	<u>1,744,114</u>
Total deferred inflows of resources . . . . .			
<b>Net position:</b>			
Investment in capital assets . . . . .	-	1,233,887	1,233,887
Unrestricted (deficit) . . . . .	(774,382)	(1,391,379)	(2,165,761)
	<u>(774,382)</u>	<u>(1,391,379)</u>	<u>(2,165,761)</u>
Total net position (deficit) . . . . .	<u>\$ (774,382)</u>	<u>\$ (157,492)</u>	<u>\$ (931,874)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<b>Education Costs for Outside Entities</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Business-Type Activities - Enterprise Funds</b>
<b>Operating revenues:</b>			
Tuition and fees. . . . .	\$ 1,615	\$ 38,886	\$ 40,501
Sales/charges for services. . . . .	195,514	426,659	622,173
Other . . . . .	-	5,095	5,095
Rental income. . . . .	-	43,757	43,757
Total operating revenues . . . . .	197,129	514,397	711,526
<b>Operating expenses:</b>			
Personal services. . . . .	(157,129)	905,901	748,772
Purchased services. . . . .	56,686	641,935	698,621
Materials and supplies . . . . .	-	164,700	164,700
Other. . . . .	-	2,967	2,967
Depreciation . . . . .	-	50,902	50,902
Total operating expenses. . . . .	(100,443)	1,766,405	1,665,962
Operating income (loss) . . . . .	297,572	(1,252,008)	(954,436)
<b>Nonoperating revenues (expenses):</b>			
Grants and subsidies. . . . .	-	843,192	843,192
Interest revenue . . . . .	17,454	1,914	19,368
Federal donated commodities . . . . .	-	117,763	117,763
Loss on disposal of capital assets . . . . .	(4,536)	-	(4,536)
Total nonoperating revenues (expenses). . . . .	12,918	962,869	975,787
Income (loss) before transfers . . . . .	310,490	(289,139)	21,351
Transfer in . . . . .	-	450,000	450,000
Change in net position . . . . .	310,490	160,861	471,351
<b>Net position (deficit) at beginning of year . . . . .</b>	<b>(1,084,872)</b>	<b>(318,353)</b>	<b>(1,403,225)</b>
<b>Net position (deficit) at end of year . . . . .</b>	<b>\$ (774,382)</b>	<b>\$ (157,492)</b>	<b>\$ (931,874)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Education Costs for Outside Entities	Nonmajor Enterprise Funds	Total Business-Type Activities - Enterprise Funds
<b>Cash flows from operating activities:</b>			
Cash received from tuition and fees . . . . .	\$ 1,030,192	\$ 44,791	\$ 1,074,983
Cash received from sales/charges for services. . . . .	195,514	433,965	629,479
Cash received from rentals . . . . .	-	43,757	43,757
Cash received from other operations . . . . .	-	5,095	5,095
Cash payments for personal services. . . . .	(370,380)	(848,748)	(1,219,128)
Cash payments for purchased services . . . . .	(56,686)	(634,042)	(690,728)
Cash payments for materials and supplies . . . . .	-	(44,293)	(44,293)
Cash payments for other expenses . . . . .	-	(2,967)	(2,967)
Net cash provided by (used in) operating activities . . . . .	<u>798,640</u>	<u>(1,002,442)</u>	<u>(203,802)</u>
<b>Cash flows from noncapital financing activities:</b>			
Cash received from grants and subsidies. . . . .	-	843,192	843,192
Cash received from transfers . . . . .	-	450,000	450,000
Cash used in repayment of interfund loans. . . . .	-	(275,000)	(275,000)
Net cash provided by noncapital financing activities . . . . .	<u>-</u>	<u>1,018,192</u>	<u>1,018,192</u>
<b>Cash flows from investing activities:</b>			
Interest received . . . . .	<u>17,454</u>	<u>1,914</u>	<u>19,368</u>
Net cash provided by investing activities . . . . .	<u>17,454</u>	<u>1,914</u>	<u>19,368</u>
Net increase in cash and cash equivalents . . . . .	816,094	17,664	833,758
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>346,892</u>	<u>274,701</u>	<u>621,593</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 1,162,986</u></u>	<u><u>\$ 292,365</u></u>	<u><u>\$ 1,455,351</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss) . . . . .	\$ 297,572	\$ (1,252,008)	\$ (954,436)
Adjustments:			
Depreciation. . . . .	-	50,902	50,902
Federal donated commodities . . . . .	-	117,763	117,763
Changes in assets and liabilities:			
Decrease in inventory held for resale . . . . .	-	6,346	6,346
Decrease in accounts receivable. . . . .	-	13,211	13,211
Decrease in intergovernmental receivable. . . . .	907,990	3,706	911,696
Decrease in prepayments. . . . .	2,199	40	2,239
Decrease in due from other funds . . . . .	127,339	-	127,339
(Decrease) in accounts payable . . . . .	-	(1,547)	(1,547)
Increase (decrease) in accrued wages and benefits . . . . .	(208,011)	13,649	(194,362)
Increase (decrease) in intergovernmental payable. . . . .	(2,297)	43	(2,254)
Increase (decrease) in compensated absences payable. . . . .	(179,046)	344	(178,702)
Decrease in net OPEB asset . . . . .	93,218	464	93,682
(Decrease) in net pension liability . . . . .	(1,465,778)	(36,404)	(1,502,182)
(Decrease) in net OPEB liability . . . . .	(89,645)	(76,467)	(166,112)
Decrease in deferred outflows - pensions . . . . .	422,390	97,651	520,041
(Increase) decrease in deferred outflows - OPEB . . . . .	14,279	(10,355)	3,924
Increase (decrease) in deferred inflows - pensions . . . . .	809,492	(9,512)	799,980
Increase in deferred inflows - OPEB . . . . .	98,540	92,120	190,660
(Decrease) in pension and postemployment benefits payable . . . . .	<u>(29,602)</u>	<u>(12,388)</u>	<u>(41,990)</u>
Net cash provided by (used in) operating activities . . . . .	<u><u>\$ 798,640</u></u>	<u><u>\$ (1,002,442)</u></u>	<u><u>\$ (203,802)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

	<u>Custodial</u>
<b>Assets:</b>	
Receivables:	
Accounts . . . . .	<u>\$          732</u>
<b>Net position:</b>	
Restricted for individuals, organizations and other governments . .	<u>\$          732</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<b>Custodial</b>
<b>Additions:</b>	
Extracurricular collections for OHSAA and other Districts . . . .	\$ 40,904
<b>Deductions:</b>	
Extracurricular distributions to OHSAA and other Districts . . . .	35,916
Change in net position . . . . .	4,988
<b>Net position (deficit) at beginning of year (restated) . . . . .</b>	<b>(4,256)</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 732</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Wooster City School District (the “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 District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the District's ten instructional/support facilities.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The City of Wooster and the Wooster Public Library perform activities within the District's boundaries for the benefit of residents and are excluded from the accompanying financial statements of the District. Both are legally separate entities that are not fiscally dependent on the District. The District is not financially accountable for either of these two entities.

The District participates in two public entity risk pools and one jointly governed organization. These organizations include the Ohio School Comp Workers' Compensation Group Rating Program (GRP), the Stark County Schools Council of Governments Health Benefit Plan (Stark County Schools COG HBP) and the Midland COG. These organizations are presented in Notes 10 and 14 to the basic financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Basis of Presentation**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

*Fund Financial Statements* - During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**C. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

*PROPRIETARY FUND TYPE*

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

*Enterprise Funds* - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the District's major enterprise fund:

*Education Costs for Outside Entities* - The education costs for outside entities fund is used to account for tuition, grants and other resources used to support the operations of Boys Village School and the International Baccalaureate (IB) program which are utilized by outside entities.

The nonmajor enterprise funds are used to account for food service, uniform school supplies, recreation center, and before/after school childcare.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for monies collected on behalf of and disbursed to the Ohio High School Athletic Association and other Districts.

**D. Measurement Focus**

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

*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 deferred outflows of resources and current liabilities and deferred inflows of resources and 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 12 and Note 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 12 and Note 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**F. Cash and Cash Equivalents**

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

During fiscal year 2020, investments were limited to non-negotiable certificates of deposit, investments in the State Treasury Asset Reserve of Ohio (STAR Ohio) and STAR Plus. Investments in non-negotiable certificates are reported at cost while investments in STAR Ohio are reported at amortized cost as described below.

In fiscal year 2020, the District invested in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In fiscal year 2020, the District invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2020 amounted to \$872,457, which includes \$13,084 assigned from other District funds.

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

**G. Inventory**

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

**H. Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District had no restricted assets at June 30, 2020.

**I. Capital Assets**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land	N/A	N/A
Land Improvements	5 Years	N/A
Buildings and Improvements	20 - 125 Years	50 Years
Furniture, Equipment, and Vehicles	5 - 15 Years	10 Years
Infrastructure	20 - 50 Years	N/A
Ice Arena	50 Years	N/A

**J. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables" and receivables and payables resulting from interfund goods and services provided are classified and "due to/due from other funds." These interfund balances are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as a component of "internal balance" on the statement of net position.

**K. Compensated Absences**

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**L. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**M. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing (including contracts and retainage payable) used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents local resources received that are restricted to support of school operations.

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

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

*Restricted* - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service, uniform school supplies, recreation center fees, tuition and fees for Boys Village and IB program, and charges for services for before/after school child care. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

**P. Contributions of Capital**

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

**Q. Interfund Activity**

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

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

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

**R. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2020.

**T. Estimates**

The preparation of financial statements in conformity with GAAP 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.

**U. Budgetary Data**

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

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

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

**V. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported in the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statements.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**W. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. At June 30, 2020, the District had no investments which are at fair value and subject to the fair value measurements. See Note 2.F. for detail on the District's investments.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2020, the District has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds or private-purpose trust funds. The District reviewed its agency funds and private-purpose trust funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

**B. Restatement of Net Position and Fund Balances**

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2019:

	General	Other Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	\$ 40,294,320	\$ 812,723	\$ 41,107,043
GASB Statement No. 84	71,357	174,702	246,059
Restated Fund Balance, at June 30, 2019	\$ 40,365,677	\$ 987,425	\$ 41,353,102



**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at June 30, 2019:

	Governmental Activities
Net position as previously reported	\$ 41,998,728
GASB Statement No. 84	246,059
Restated net position at June 30, 2019	\$ 42,244,787

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of a deficit of \$4,256. Also, related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds or private-purpose trust funds. At June 30, 2019, agency funds reported assets and liabilities of \$273,079 and private-purpose trust funds reported assets and net position of \$1,205.

**C. Deficit Fund Balances**

Fund balances at June 30, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Public school preschool	\$ 23,190
Elementary and secondary school emergency relief	15,605
IDEA Part B	150,125
Title I	22,767

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the 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 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

**A. Deposits with Financial Institutions**

At June 30, 2020, the carrying amount of all District deposits, including \$26,000,000 in nonnegotiable certificates of deposit and \$133,062 in STAR Plus, was \$28,004,527 and the bank balance of all District deposits was \$28,959,451. Of the bank balance, \$26,431,080 was covered by the FDIC, \$1,264,186 was covered by the Ohio Pooled Collateral System and \$1,264,185 was exposed to custodial credit risks as described below.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the District's financial institutions were approved for a collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of June 30, 2020, the District had the following investments and maturities:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity</u> 6 months or less
Amortized Cost:		
STAR Ohio	\$ 17,966,997	\$ 17,966,997

The District's weighted average maturity for investments in STAR Ohio is 1 day.

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

*Credit Risk:* Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio carries a rating of AAAM by Standard and Poor's.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Amortized Cost:		
STAR Ohio	\$ 17,966,997	100.00

**C. Reconciliation of cash and investments to the statement of net position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported above on the statement of net position as of June 30, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 28,004,527
Investments	<u>17,966,997</u>
Total	<u>\$ 45,971,524</u>

**WOOSTER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 44,516,173
Business-type activities	<u>1,455,351</u>
Total	<u>\$ 45,971,524</u>

**NOTE 5 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Wayne County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$1,735,000 in the general fund and \$140,000 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$3,993,644 in the general fund and \$229,591 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 5 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 660,086,920	96.09	\$ 658,640,350	95.11
Public utility personal	<u>26,825,170</u>	<u>3.91</u>	<u>33,899,200</u>	<u>4.89</u>
Total	<u>\$ 686,912,090</u>	<u>100.00</u>	<u>\$ 692,539,550</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 76.35		\$ 76.35	

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2020 consisted of taxes, accounts, 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.

A summary of the principal items of intergovernmental receivables reported on the statement of net position follows:

	<u>Tuition Costs</u>	<u>State and Federal Grants</u>	<u>Total</u>
Governmental activities	<u>\$ 222,465</u>	<u>\$ 925,268</u>	<u>\$ 1,147,733</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 7 - CAPITAL ASSETS**

Governmental activities capital assets at June 30, 2019 have been restated to properly classify certain assets of the District. The restatement had no effect on net position. The restatement had the following effect on the various capital asset classifications:

	Balance 6/30/2019	Adjustments	Restated Balance 7/1/2019
<i>Capital Assets not being Depreciated:</i>			
Land	\$ 2,354,412	\$ 73,210	\$ 2,427,622
Total Capital Assets not being Depreciated	<u>2,354,412</u>	<u>73,210</u>	<u>2,427,622</u>
<i>Capital Assets being Depreciated:</i>			
Land improvements	6,002,038	183,229	6,185,267
Buildings and improvements	60,057,004	(463,041)	59,593,963
Furniture and equipment	5,536,942	3,308,489	8,845,431
Infrastructure	-	216,277	216,277
Vehicles	3,318,164	(3,318,164)	-
Ice arena	4,517,809	-	4,517,809
Total Capital Assets, being Depreciated	<u>79,431,957</u>	<u>(73,210)</u>	<u>79,358,747</u>
<i>Less: Accumulated Depreciation</i>			
Land improvements	(4,644,970)	(256,439)	(4,901,409)
Buildings and improvements	(25,124,534)	340,986	(24,783,548)
Furniture and equipment	(2,684,020)	(1,485,954)	(4,169,974)
Infrastructure	-	(88,094)	(88,094)
Vehicles	(1,489,501)	1,489,501	-
Ice arena	(1,626,411)	-	(1,626,411)
Total Accumulated Depreciation	<u>(35,569,436)</u>	<u>-</u>	<u>(35,569,436)</u>
Total Capital Assets, being Depreciated, net	<u>43,862,521</u>	<u>(73,210)</u>	<u>43,789,311</u>
Governmental Activities Capital Assets, net	<u>\$ 46,216,933</u>	<u>\$ -</u>	<u>\$ 46,216,933</u>

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 7 - CAPITAL ASSETS - (Continued)**

Governmental activities capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Restated Balance 06/30/19	Additions	Deductions	Balance 06/30/20
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,427,622	\$ -	\$ -	\$ 2,427,622
Total capital assets, not being depreciated	<u>2,427,622</u>	<u>-</u>	<u>-</u>	<u>2,427,622</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	6,185,267	129,400	-	6,314,667
Buildings and improvements	59,593,963	164,688	-	59,758,651
Furniture, equipment, and vehicles	8,845,431	409,801	(287,299)	8,967,933
Infrastructure	216,277	-	-	216,277
Ice arena *	4,517,809	-	-	4,517,809
Total capital assets, being depreciated	<u>79,358,747</u>	<u>703,889</u>	<u>(287,299)</u>	<u>79,775,337</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(4,901,409)	(646,366)	-	(5,547,775)
Buildings and improvements	(24,783,548)	(1,060,381)	-	(25,843,929)
Furniture, equipment, and vehicles	(4,169,974)	(679,919)	248,437	(4,601,456)
Infrastructure	(88,094)	(10,527)	-	(98,621)
Ice arena *	(1,626,411)	(90,356)	-	(1,716,767)
Total accumulated depreciation	<u>(35,569,436)</u>	<u>(2,487,549)</u>	<u>248,437</u>	<u>(37,808,548)</u>
Governmental activities capital assets, net	<u>\$ 46,216,933</u>	<u>\$ (1,783,660)</u>	<u>\$ (38,862)</u>	<u>\$ 44,394,411</u>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental activities:</b>	
Instruction:	
Regular	\$ 863,675
Support Services:	
Administration	2,824
Operations and maintenance of plant	1,285,621
Pupil transportation	196,774
Central	2,467
Operation of non-instructional	500
Extracurricular activities	45,332
Depreciation expense not included in other functions *	<u>90,356</u>
Total governmental activities	<u>\$ 2,487,549</u>



**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 7 - CAPITAL ASSETS - (Continued)**

\*The ice arena was donated to the District and is operated by the Donald and Alice Noble foundation, Inc. The District does not collect any fees or pay any expenses to operate the facility.

Business-type activities capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance 06/30/19	Additions	Deductions	Balance 06/30/20
<b>Business-type activities:</b>				
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	\$ 2,535,383	\$ -	\$ -	\$ 2,535,383
Furniture and equipment	<u>317,173</u>	<u>-</u>	<u>(23,658)</u>	<u>293,515</u>
Total capital assets, being depreciated	<u>2,852,556</u>	<u>-</u>	<u>(23,658)</u>	<u>2,828,898</u>
<i>Less: accumulated depreciation</i>				
Buildings and improvements	(1,250,789)	(50,707)	-	(1,301,496)
Furniture and equipment	<u>(312,442)</u>	<u>(195)</u>	<u>19,122</u>	<u>(293,515)</u>
Total accumulated depreciation	<u>(1,563,231)</u>	<u>(50,902)</u>	<u>19,122</u>	<u>(1,595,011)</u>
Business-type activities capital assets, net	<u>\$ 1,289,325</u>	<u>\$ (50,902)</u>	<u>\$ (4,536)</u>	<u>\$ 1,233,887</u>

Depreciation expense was charged to the business-type activities as follows:

<b>Business-type activities:</b>	
Food service	\$ 195
Recreation center	<u>50,707</u>
Total business-type activities	<u>\$ 50,902</u>

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 8 - LONG-TERM OBLIGATIONS**

During the fiscal year 2020, the following activity occurred in the District's long-term obligations.

	Balance			Balance	Amount
<b><u>Governmental activities:</u></b>	<u>06/30/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/20</u>	<u>Due Within</u>
					<u>One Year</u>
Net pension liability:					
STRS	\$ 36,172,807	\$ 1,443,096	\$ -	\$ 37,615,903	\$ -
SERS	<u>10,262,043</u>	<u>1,115,781</u>	<u>-</u>	<u>11,377,824</u>	<u>-</u>
Total net pension liability	<u>46,434,850</u>	<u>2,558,877</u>	<u>-</u>	<u>48,993,727</u>	<u>-</u>
Net OPEB liability:					
SERS	<u>5,067,392</u>	<u>-</u>	<u>(153,280)</u>	<u>4,914,112</u>	<u>-</u>
Total net OPEB liability	<u>5,067,392</u>	<u>-</u>	<u>(153,280)</u>	<u>4,914,112</u>	<u>-</u>
Capital lease obligation	144,248	79,335	(86,140)	137,443	118,212
Compensated absences	<u>3,862,390</u>	<u>295,690</u>	<u>(374,054)</u>	<u>3,784,026</u>	<u>419,727</u>
Total long-term obligations	<u>\$ 55,508,880</u>	<u>\$ 2,933,902</u>	<u>\$ (613,474)</u>	<u>\$ 57,829,308</u>	<u>\$ 537,939</u>

	Balance			Balance	Amount
<b><u>Business-type activities:</u></b>	<u>06/30/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/20</u>	<u>Due Within</u>
					<u>One Year</u>
Net pension liability:					
STRS	\$ 1,812,455	\$ -	\$ (1,294,726)	\$ 517,729	\$ -
SERS	<u>1,236,105</u>	<u>-</u>	<u>(207,456)</u>	<u>1,028,649</u>	<u>-</u>
Total net pension liability	<u>3,048,560</u>	<u>-</u>	<u>(1,502,182)</u>	<u>1,546,378</u>	<u>-</u>
Net OPEB liability:					
SERS	<u>610,388</u>	<u>-</u>	<u>(166,112)</u>	<u>444,276</u>	<u>-</u>
Total net OPEB liability	<u>610,388</u>	<u>-</u>	<u>(166,112)</u>	<u>444,276</u>	<u>-</u>
Compensated absences	<u>267,938</u>	<u>-</u>	<u>(178,702)</u>	<u>89,236</u>	<u>11,425</u>
Total long-term obligations	<u>\$ 3,926,886</u>	<u>\$ -</u>	<u>\$ (1,846,996)</u>	<u>\$ 2,079,890</u>	<u>\$ 11,425</u>

**Net Pension Liability**

See Note 12 for further information on the District's net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

**Net OPEB Liability/Asset**

See Note 13 for further information on the District's net OPEB liability/asset. The District pays obligations related to employee compensation from the fund benefitting from their service.

**Capital Lease Obligation**

See Note 18 for further information on the District's capital lease obligations.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)**

Compensated Absences

Compensated absences will be paid from the general fund and the food service and education costs for outside entities enterprise funds.

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2020, are a voted debt margin of \$62,328,560 (including available funds of \$0) and an unvoted energy conservation debt margin of \$6,232,856.

**NOTE 9 - INTERFUND TRANSACTIONS**

- A. Transfers for the year ended June 30, 2020 consisted of the following as reported on the fund financial statements:

	Transfers From
<u>Transfers To</u>	<u>General</u>
Nonmajor governmental funds	\$ 20,000
Nonmajor enterprise funds	450,000
Total	\$ 470,000

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.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 9 - INTERFUND TRANSACTIONS - (Continued)**

- B.** Interfund loans receivable/payable at June 30, 2020 consisted of the following as reported on the fund financial statements:

	Interfund Receivable	Interfund Payable
General fund	\$ 911,425	\$ -
Nonmajor governmental funds	-	911,425
Total	\$ 911,425	\$ 911,425

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide statement of net position. Interfund balances between governmental funds and enterprise funds are reported as a component of internal balance on the government-wide statement of net position.

**NOTE 10 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District insures its buildings and their contents through insurance having a \$1,000 deductible and providing replacement cost for such items. An inventory of all loose equipment is conducted periodically.

Appropriate liability insurance is maintained in the amount of \$4,000,000 for each occurrence and \$6,000,000 aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

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

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

Claims have not exceeded coverage in any of the previous 3 years nor has there been any significant reductions in coverage from the previous year.

**B. Workers' Compensation**

The District participates in the Ohio School Comp Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. This represents a merger of individual pooling programs for the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 10 - RISK MANAGEMENT - (Continued)**

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

**C. Employee Health, Prescription Drug and Dental Insurance**

The District is a member of the Stark County Schools Council of Governments Health Benefit Plan (the Council), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the "Program") is an employee health benefit plan which covers the participating members' employees. The Council acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purpose of paying health benefit claims for employees and their covered dependents, administrative expenses of the program, and premiums for stop-loss insurance coverage. The District accounts for the premiums paid as expenditures in the general or applicable fund.

**NOTE 11 - COMPENSATED ABSENCES**

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

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. For employees with 10 to 30 years of service, a percentage of unused sick time is paid upon retirement at 50% of the maximum number of days accumulated not to exceed 275 days for certificated staff and classified staff. For employees with more than 30 years of service, a percentage of unused sick time is paid upon retirement at the lesser of 65 days or 25% of the maximum number of days accumulated not to exceed 275 days for certificated staff and classified staff.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

***Plan Description - District Employees Retirement System (SERS)***

Plan Description - The District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was \$1,061,760 for fiscal year 2020. Of this amount, \$201,497 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - Licensed teachers participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability 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.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2020, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,890,154 for fiscal year 2020. Of this amount, \$495,932 is reported as pension and postemployment benefits payable.



**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.20076440%	0.17275644%	
Proportion of the net pension liability current measurement date	<u>0.20735600%</u>	<u>0.17243802%</u>	
Change in proportionate share	<u>0.00659160%</u>	<u>-0.00031842%</u>	
Proportionate share of the net pension liability	\$ 12,406,473	\$ 38,133,632	\$ 50,540,105
Pension expense	\$ 2,268,785	\$ 5,261,947	\$ 7,530,732

Of the District's total pension expense of \$7,530,732, \$7,585,623 is reported in the governmental activities and (\$54,891) is reported in the business-type activities.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 314,602	\$ 310,467	\$ 625,069
Changes of assumptions	-	4,479,531	4,479,531
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	513,267	1,322,093	1,835,360
Contributions subsequent to the measurement date	<u>1,061,760</u>	<u>2,890,154</u>	<u>3,951,914</u>
Total deferred outflows of resources	<u>\$ 1,889,629</u>	<u>\$ 9,002,245</u>	<u>\$ 10,891,874</u>

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 165,074	\$ 165,074
Net difference between projected and actual earnings on pension plan investments	159,250	1,863,767	2,023,017
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	187,559	976,500	1,164,059
Total deferred inflows of resources	\$ 346,809	\$ 3,005,341	\$ 3,352,150

\$3,951,914 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Of the total contributions made subsequent to the measurement date, \$3,824,642 relates to governmental activities and \$127,272 relates to business-type activities.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$ 603,582	\$ 2,475,382	\$ 3,078,964
2022	(202,243)	604,220	401,977
2023	(10,596)	(198,415)	(209,011)
2024	90,317	225,563	315,880
Total	\$ 481,060	\$ 3,106,750	\$ 3,587,810

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 17,385,904	\$ 12,406,473	\$ 8,230,597

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 55,728,055	\$ 38,133,632	\$ 23,239,052

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/asset represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded/funded benefits is presented as a long-term *net OPEB liability* or *net OPEB asset* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Plan Description - District Employees Retirement System (SERS)***

Health Care Plan Description - The GDA contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$119,392.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$119,392 for fiscal year 2020. Of this amount, \$119,392 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.20465850%	0.17275644%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.21307500%</u>	<u>0.17243802%</u>	
Change in proportionate share	<u>0.00841650%</u>	<u>-0.00031842%</u>	
Proportionate share of the net OPEB liability	\$ 5,358,388	\$ -	\$ 5,358,388
Proportionate share of the net OPEB asset	\$ -	\$ 2,855,987	\$ 2,855,987
OPEB expense	\$ 255,505	\$ (856,720)	\$ (601,215)

Of the District's total OPEB expense of (\$601,215), (\$733,268) is reported in the governmental activities and \$132,053 is reported in the business-type activities.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 78,657	\$ 258,918	\$ 337,575
Net difference between projected and actual earnings on OPEB plan investments	12,862	-	12,862
Changes of assumptions	391,369	60,032	451,401
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	411,887	312,611	724,498
Contributions subsequent to the measurement date	<u>119,392</u>	<u>-</u>	<u>119,392</u>
Total deferred outflows of resources	<u>\$ 1,014,167</u>	<u>\$ 631,561</u>	<u>\$ 1,645,728</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,177,201	\$ 145,302	\$ 1,322,503
Net difference between projected and actual earnings on OPEB plan investments	-	179,377	179,377
Changes of assumptions	300,269	3,131,258	3,431,527
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>172,020</u>	<u>206,700</u>	<u>378,720</u>
Total deferred inflows of resources	<u>\$ 1,649,490</u>	<u>\$ 3,662,637</u>	<u>\$ 5,312,127</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$119,392 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Of the total contributions made subsequent to the measurement date, \$109,493 relates to governmental activities and \$9,899 relates to business-type activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	\$ (235,907)	\$ (661,968)	\$ (897,875)
2022	(120,877)	(661,968)	(782,845)
2023	(117,103)	(590,079)	(707,182)
2024	(117,715)	(564,861)	(682,576)
2025	(112,447)	(560,415)	(672,862)
Thereafter	(50,666)	8,215	(42,451)
Total	\$ (754,715)	\$ (3,031,076)	\$ (3,785,791)

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 6,504,067	\$ 5,358,388	\$ 4,447,439
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 4,293,154	\$ 5,358,388	\$ 6,771,695

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

*Assumption Changes Since the Prior Measurement Date* - There were no changes in assumptions since the prior measurement date of June 30, 2018.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Benefit Term Changes Since the Prior Measurement Date*** - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

***Discount Rate*** - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

***Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,437,017	\$ 2,855,987	\$ 3,208,244
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,238,558	\$ 2,855,987	\$ 2,387,430

**NOTE 14 - JOINTLY GOVERNED ORGANIZATION**

The Midland Council of Governments dba/Tri-County Computer Services Association is organized under Chapter 167 of the Ohio Revised Code. The Tri-County Computer Services Association (TCCSA) is a jointly governed organization. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts in Ashland, Holmes, Medina and Wayne counties. TCCSA is governed by representatives from each of the participating public-school districts served by TCCSA. TCCSA is recognized as one of twenty-three regional Information Technology Centers (ITC) as defined by the Ohio Department of Education. Each of the participating districts supports TCCSA based upon a per pupil charge dependent upon the software package utilized. Financial information can be obtained by contacting the Executive Director at Tri-County Computer Services Association located at 2125 Eagle Pass, Wooster, OH 44691. During the fiscal year ended June 30, 2020 the District paid \$406,262 for basic service charges.

**NOTE 15 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS**

**A. Grants**

The 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2020, if applicable, cannot be determined at this time.

**B. Litigation**

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 15 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS - (Continued)**

**C. Foundation Funding**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODE has finalized the fiscal year 2020 ADM reviews and there will be no significant adjustments to the District's State funding.

**D. Contractual Commitments**

At June 30, 2020, the District had the following contractual commitments for construction projects:

Project	Contractor	Contractual Commitment	Expenditures Through 6/30/2020	Balance 6/30/2020
Edgewood Re-Carpet	Bogner Corporation	\$ 91,037	\$ -	\$ 91,037
District paving improvements	Most Paving	527,972	(488,970)	39,002
District paving improvements	7 L Construction	275,095	-	275,095
WHS Improvements	Bogner Corporation	<u>1,046,886</u>	-	<u>1,046,886</u>
Total		<u>\$ 1,940,990</u>	<u>\$ (488,970)</u>	<u>\$ 1,452,020</u>

These projects are not being capitalized by the District as they do not extend the service capacity or useful life of the asset.

**E. Encumbrance Commitments**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the District's commitments for encumbrances (less amounts already included in payables) in the governmental funds were as follows:

Fund	Amount
General fund	\$ 1,453,858
Other governmental funds	<u>1,235,363</u>
Total	<u>\$ 2,689,221</u>



**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 15 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS - (Continued)**

**F. COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP); and,
- (e) A certain fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis).

**WOOSTER CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (581,342)
Net adjustment for revenue accruals	(2,518,551)
Net adjustment for expenditure accruals	(477,527)
Net adjustment for other sources/uses	(440,329)
Funds budgeted elsewhere **	(4,197)
Adjustment for encumbrances	<u>2,123,098</u>
GAAP basis	<u>\$ (1,898,848)</u>

\*\* The public school support fund is legally budgeted as a separate special revenue fund; however, it is considered part of the general fund on a GAAP basis.

**NOTE 17 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2019	\$ -
Current year set-aside requirement	622,127
Current year qualifying expenditures	<u>(622,127)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u>\$ -</u>

Although the District had qualifying disbursements and current year offsets during the fiscal year that reduced the set-aside amount to below zero, this amount may not be used to reduce the set aside requirement for future years. The negative balance is, therefore, not presented as being carried forward to future years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE**

In fiscal year 2015 and 2020, the District entered into capital lease agreements for printing equipment. In fiscal year 2017 the District entered into a capital lease agreement for copiers. These leases meet the criteria of a capital lease as defined by GASB, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the statement of revenues, expenditures and changes in fund balances - general fund. These expenditures are reflected as program/function expenditures on a budgetary basis. No capital assets were acquired by the printing equipment lease agreements as the individual assets acquired did not exceed the District's threshold for capitalization. Capital assets were acquired by the copier equipment lease agreement and are included in the capital asset balances in Note 7.

A corresponding liability for future principal payments on the lease agreements were recorded in the statement of net position. Principal payments in the 2020 fiscal year for the printing equipment and copier lease agreements were \$23,991 and \$62,149, respectively. These amounts are reflected as debt service principal retirement in the general fund and as a reduction to the long-term liabilities reported on the statement of net position. The printing equipment and copier lease agreements have a present value of the minimum lease payments of \$66,521 and \$70,922, respectively.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2020.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 122,400
2022	<u>19,368</u>
Total	141,768
Less: amount representing interest	<u>(4,325)</u>
Present value of minimum lease payments	<u>\$ 137,443</u>

**NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

Other governments entered into property tax abatement agreements with property owners under Enterprise Zone Agreements ("EZAs") and the Ohio Community Reinvestment Area ("CRA") program within the taxing districts of the District. The EZAs and CRA program are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing structures and promote the development of new structures.

For the District, the City of Wooster has entered into EZAs and CRA agreements that have caused a reduction to the District's property tax receipts. During fiscal year 2020, the District's property tax receipts were reduced as follows:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)**

Government Entering Into Agreement	Tax Abatement Program		District Forgone Taxes Revenue
	CRA	EZAs	
City of Wooster	\$ 290,530	\$ 129,934	\$ 420,464

The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.20735600%	0.20076440%	0.20026360%	0.19349980%
District's proportionate share of the net pension liability	\$ 12,406,473	\$ 11,498,148	\$ 11,965,308	\$ 14,162,400
District's covered payroll	\$ 7,209,689	\$ 6,916,378	\$ 6,801,479	\$ 6,035,800
District's proportionate share of the net pension liability as a percentage of its covered payroll	172.08%	166.25%	175.92%	234.64%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2016</b>	<b>2015</b>	<b>2014</b>
0.19040050%	0.18604700%	0.18604700%
\$ 10,864,437	\$ 9,415,732	\$ 11,063,618
\$ 5,732,049	\$ 5,406,154	\$ 6,813,960
189.54%	174.17%	162.37%
69.16%	71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.17243802%	0.17275644%	0.17068972%	0.16923150%
District's proportionate share of the net pension liability	\$ 38,133,632	\$ 37,985,262	\$ 40,547,709	\$ 56,646,885
District's covered payroll	\$ 20,188,864	\$ 19,840,007	\$ 18,965,071	\$ 17,895,064
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.88%	191.46%	213.80%	316.55%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<b>2016</b>	<b>2015</b>	<b>2014</b>
0.16983678%	0.17225722%	0.17225722%
\$ 46,937,918	\$ 41,898,917	\$ 49,909,716
\$ 17,942,243	\$ 17,599,931	\$ 18,842,892
261.61%	238.06%	264.87%
72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,061,760	\$ 973,308	\$ 933,711	\$ 952,207
Contributions in relation to the contractually required contribution	<u>(1,061,760)</u>	<u>(973,308)</u>	<u>(933,711)</u>	<u>(952,207)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,584,000	\$ 7,209,689	\$ 6,916,378	\$ 6,801,479
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 845,012	\$ 755,484	\$ 749,293	\$ 943,052	\$ 876,028	\$ 776,163
<u>(845,012)</u>	<u>(755,484)</u>	<u>(749,293)</u>	<u>(943,052)</u>	<u>(876,028)</u>	<u>(776,163)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,035,800	\$ 5,732,049	\$ 5,406,154	\$ 6,813,960	\$ 6,513,219	\$ 6,174,726
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 2,890,154	\$ 2,826,441	\$ 2,777,601	\$ 2,655,110
Contributions in relation to the contractually required contribution	(2,890,154)	(2,826,441)	(2,777,601)	(2,655,110)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 20,643,957	\$ 20,188,864	\$ 19,840,007	\$ 18,965,071
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 2,505,309	\$ 2,511,914	\$ 2,287,991	\$ 2,449,576	\$ 2,578,876	\$ 2,638,718
<u>(2,505,309)</u>	<u>(2,511,914)</u>	<u>(2,287,991)</u>	<u>(2,449,576)</u>	<u>(2,578,876)</u>	<u>(2,638,718)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,895,064	\$ 17,942,243	\$ 17,599,931	\$ 18,842,892	\$ 19,837,508	\$ 20,297,831
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.21307500%	0.20465850%	0.20287580%	0.19610195%
District's proportionate share of the net OPEB liability	\$ 5,358,388	\$ 5,677,780	\$ 5,444,653	\$ 5,589,631
District's covered payroll	\$ 7,209,689	\$ 6,916,378	\$ 6,801,479	\$ 6,035,800
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	74.32%	82.09%	80.05%	92.61%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ASSET  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.17243802%	0.17275644%	0.17068972%	0.16923150%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,855,987)	\$ (2,776,019)	\$ 6,659,684	\$ 9,050,545
District's covered payroll	\$ 20,188,864	\$ 19,840,007	\$ 18,965,071	\$ 17,895,064
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.15%	13.99%	35.12%	50.58%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 119,392	\$ 168,798	\$ 149,513	\$ 108,974
Contributions in relation to the contractually required contribution	<u>(119,392)</u>	<u>(168,798)</u>	<u>(149,513)</u>	<u>(108,974)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,584,000	\$ 7,209,689	\$ 6,916,378	\$ 6,801,479
Contributions as a percentage of covered payroll	1.57%	2.34%	2.16%	1.60%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 99,276	\$ 141,094	\$ 99,605	\$ 102,687	\$ 123,870	\$ 88,299
<u>(99,276)</u>	<u>(141,094)</u>	<u>(99,605)</u>	<u>(102,687)</u>	<u>(123,870)</u>	<u>(88,299)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,035,800	\$ 5,732,049	\$ 5,406,154	\$ 6,813,960	\$ 6,513,219	\$ 6,174,726
1.64%	2.46%	1.84%	1.51%	1.90%	1.43%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 20,643,957	\$ 20,188,864	\$ 19,840,007	\$ 18,965,071
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 181,003	\$ 185,496	\$ 192,691	\$ 195,870
-	-	(181,003)	(185,496)	(192,691)	(195,870)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,895,064	\$ 17,942,243	\$ 17,599,931	\$ 18,842,892	\$ 19,837,508	\$ 20,297,831
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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**WOOSTER CITY SCHOOL DISTRICT  
WAYNE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program/Cluster Title	Federal CFDA Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution)		
National School Lunch Program	10.555	\$ 117,763
Cash Assistance:		
School Breakfast Program	10.553	121,865
COVID-19 - School Breakfast Program		34,921
National School Lunch Program	10.555	425,811
COVID-19 - National School Lunch Program		82,606
Summer Food Service Program for Children	10.559	97,330
COVID-19 - Summer Food Service Program for Children		491
Total Child Nutrition Cluster		880,787
Child and Adult Care Food Program		
Child and Adult Care Food Program	10.558	61,227
COVID-19 - Child and Adult Care Food Program		3,814
Total Child and Adult Care Food Program		65,041
Total U.S. Department of Agriculture		945,828
 <b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education</i>		
Special Education Cluster:		
Special Education - Grants to States	84.027	854,056
Total Special Education Cluster		854,056
Title I Grants to Local Educational Agencies	84.010	872,201
Improving Teacher Quality State Grants	84.367	84,357
Student Support and Academic Enrichment Program	84.424	63,054
COVID-19 - Education Stabilization Fund	84.425D	673,457
Total U.S. Department of Education		2,547,125
 <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 3,492,953</b>

*The accompanying notes are an integral part of this schedule.*

**WOOSTER CITY SCHOOL DISTRICT  
WAYNE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Wooster City School District, Wayne County, (the District) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wooster City School District, Wayne County, (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 4, 2021, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84 *Fiduciary Activities*, and the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 4, 2021

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

### ***Report on Compliance for each Major Federal Program***

We have audited Wooster City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Wooster City School District's major federal programs for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal 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 our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on each Major Federal Program***

In our opinion, Wooster City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2020.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 4, 2021

**WOOSTER CITY SCHOOL DISTRICT  
WAYNE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2020**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA # 84.425D Education Stabilization Fund – Elementary and Secondary School Emergency Relief Fund CFDA # 84.010 - Title I Grants to Local Educational Agencies
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

**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

# OHIO AUDITOR OF STATE KEITH FABER



**WOOSTER CITY SCHOOL DISTRICT**

**WAYNE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/6/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)