

Warren Woods Public Schools

**Financial Report
with Supplementary Information
June 30, 2009**

Warren Woods Public Schools

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Independent Auditor's Report

To the Board of Education
Warren Woods Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Warren Woods Public Schools (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Warren Woods Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Warren Woods Public Schools as of June 30, 2009 and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren Woods Public Schools' basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is not a required part of the basic financial statements. The other supplementary information is presented for the purpose of additional analysis. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

To the Board of Education
Warren Woods Public Schools

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated August 10, 2009 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Plante & Moran, PLLC

August 10, 2009

Warren Woods Public Schools

Management's Discussion and Analysis

This section of Warren Woods Public Schools' annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2009. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual 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 Warren Woods Public Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund, which includes the SMTEC Vocational Education Consortium, the Special Education Center Program Fund, the 2006 Capital Projects Series II Fund, and the Building and Site Fund, with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

Government-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplementary Information)
Budgetary Information for Major Funds

Other Supplementary Information

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the School District's net assets - the difference between assets and liabilities, as reported in the statement of net assets - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net assets - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District. The statement of net assets and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, child care, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Services and Athletic Activities Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

- Governmental funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They 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 operations of the School District and the 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 the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation.

The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table I provides a summary of the School District's net assets as of June 30, 2009:

	Governmental Activities	
	June 30	
	2009	2008
	(in millions)	
Assets		
Current and other assets	\$ 16.7	\$ 26.2
Capital assets	56.3	49.5
Total assets	73.0	75.7
Liabilities		
Current liabilities	6.8	7.2
Long-term liabilities	46.8	48.8
Total liabilities	53.6	56.0
Net Assets		
Invested in capital assets - Net of related debt	9.7	9.3
Restricted	0.6	1.4
Unrestricted	9.1	9.0
Total net assets	<u>\$ 19.4</u>	<u>\$ 19.7</u>

The above analysis focuses on the net assets (see Table I). The change in net assets (see Table 2) of the School District's governmental activities is discussed below. The School District's net assets were \$19.4 million at June 30, 2009. Capital assets net of related debt, totaling \$9.7 million, compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The remaining amount of net assets (\$9.1 million) was unrestricted.

The \$9.1 million in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets for fiscal year ended June 30.

TABLE 2

	Governmental Activities	
	2009	2008
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 1.4	\$ 1.4
Operating grants and contributions	10.4	7.5
General revenue:		
Property taxes	6.8	7.8
State foundation allowance	23.2	24.3
Other	0.6	1.3
Total revenue	42.4	42.3
Functions/Program Expenses		
Instruction	19.9	19.4
Support services	15.3	15.8
Child care	0.6	0.6
Food services	1.1	1.0
Athletics	0.7	0.6
Interest on long-term debt	2.2	2.3
Depreciaton (unallocated)	2.9	1.7
Total functions/program expenses	42.7	41.4
(Decrease) Increase in Net Assets	(0.3)	0.9
Net Assets - Beginning of year	19.7	18.8
Net Assets - End of year	<u>\$ 19.4</u>	<u>\$ 19.7</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$42.7 million. Certain activities were partially funded from those who benefited from the programs (\$1.4 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$10.4 million). We paid for the remaining "public benefit" portion of our governmental activities with \$6.8 million in taxes, \$23.2 million in state foundation allowance, and with our other revenues, i.e., interest and general entitlements.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

As indicated directly above, the School District experienced a decrease in net assets of \$0.3 million. Key reasons for the change in net assets was the depreciation of newly improved assets that were funded with bond issue and building and site expenditures.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources that taxpayers and others contribute and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$12.3 million, which is a decrease of \$9 million from last year. The primary reasons for the decrease are as follows:

- In the General Fund, our principal operating fund, the fund balance increased by approximately \$300,000 due to savings in utility bills due to an unusually mild spring and other expenditure cuts. This increase will be used to help stabilize the budget for the 2009-2010 fiscal year due to the uncertainty in state funding, and will be used to help keep the School District from borrowing during the summer months before 2009-2010 state aid begins to arrive.
- The 2006 Capital Projects Series II fund balance decreased by \$8.9 million as the School District continued construction related to the Series II bond issue.
- The Building and Site Fund balance decreased by \$369,000 as the School District continues to invest in technology in accordance with its technology plan, as well as replace buses and other aging equipment in accordance with its replacement schedules. Several small building and site improvement projects were also funded through the Building and Site Fund during the 2008-2009 fiscal year.
- Combined, the Debt Service Funds showed a fund balance decrease of \$140,000 in fund balances from the prior year. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt Service Funds fund balances are reserved since they can only be used to pay debt service obligations.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The School District amended the General Fund budget for changes in enrollment, grant funding, staff level changes, the impact of federal ARRA stimulus funds, and anticipated changes in state funding. Amendments to the budget were adopted on February 9, 2009 and June 29, 2009. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplementary information in these financial statements. There were no significant variances between the final budget and actual amounts.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2009, the School District had \$82.7 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions and disposals) of \$9.5 million from last year.

	2009	2008
Land	\$ 4,000	\$ 4,000
Construction in progress	687,199	12,334,739
Land improvements	3,159,158	2,048,356
Buildings and building improvements	65,490,398	46,006,685
Furniture and equipment	12,016,067	11,613,245
Buses and other vehicles	1,380,005	1,273,695
Total capital assets	82,736,827	73,280,720
Less accumulated depreciation	26,442,397	23,806,783
Net capital assets	<u>\$ 56,294,430</u>	<u>\$ 49,473,937</u>

This year's additions of \$9.7 million consisted mainly of expenditures related to the School District's 2006 Bond issue for building renovations to Warren Woods Middle School, Enterprise High School, and Warren Woods-Tower High School, as well as parking lot renovations at the Hawthorn Education Center.

A couple major capital projects are planned for the 2009-2010 fiscal year including renovations to the technology head end room and site improvements at Warren Woods-Tower High School. We present more detailed information about our capital assets in the notes to the financial statements.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

Debt

At the end of this year, the School District had \$48.4 million in bonds outstanding versus \$50.2 million in the previous year. Those bonds consisted of the following:

	<u>2009</u>	<u>2008</u>
General Obligation Bonds	<u>\$48,395,000</u>	<u>\$50,250,000</u>

The School District's general obligation bond rating continues to be equivalent to the State's credit rating. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of \$48.4 million is below this statutorily imposed limit.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Board of Education and administration consider many factors when establishing the School District's 2009-2010 fiscal year budget. Economic conditions and the ability of the State of Michigan to adequately fund K-12 education continue to be primary concerns for Warren Woods Public Schools for 2009-2010. One of the most important factors affecting the budget is our student enrollment. The state foundation allowance revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2009-2010 budget was adopted in June 2009, based on an estimate of students that will be enrolled in September 2009. Approximately 77 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data for the start of the school year, we anticipate that the fall student count will be close to the estimates used in creating the 2009-2010 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Warren Woods Public Schools

Management's Discussion and Analysis (Continued)

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues. Based on the results of the most recent conference, the State estimates that funds will not be sufficient to fund the appropriation. The State has not adopted a budget for the 2009-2010 fiscal year at this point, so the foundation allowance per pupil is still unknown, but early indications are that the School District will see a decrease in its foundation allowance per pupil. The State Aid Act also stipulated the retirement percentage for fiscal year 2010 to increase from 16.54 percent to 16.94 percent. Since funding levels for 2009-2010 remain uncertain, the board will adopt budget amendments when funding levels are known.

Contacting the District's Management

This financial report is intended to provide the School District's taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office at 12900 Frazho Road, Warren, Michigan 48089.

Warren Woods Public Schools

Statement of Net Assets June 30, 2009

	Governmental Activities
Assets	
Cash and investments (Note 3)	\$ 8,447,618
Receivables:	
Accounts receivable	88,682
Due from other governmental units	5,471,603
Inventories	30,398
Prepaid costs and other assets	24,448
Restricted assets (Note 1)	2,687,664
Capital assets - Net (Note 4)	<u>56,294,430</u>
Total assets	73,044,843
Liabilities	
Accounts payable	871,853
Accrued payroll-related liabilities	3,083,321
Other accrued liabilities	767,870
Deferred revenue (Note 6)	44,896
Noncurrent liabilities (Note 7):	
Due within one year:	
Compensated absences less than one year	45,713
Long-term debt less than one year	2,040,000
Due in more than one year:	
Compensated absences greater than one year	411,410
Long-term debt greater than one year	<u>46,355,000</u>
Total liabilities	<u>53,620,063</u>
Net Assets	
Invested in capital assets - Net of related debt	9,668,298
Restricted:	
Debt service	450,270
Capital projects	202,337
Unrestricted	<u>9,103,875</u>
Total net assets	<u><u>\$ 19,424,780</u></u>

Warren Woods Public Schools

Statement of Activities Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Governmental
		Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Changes in Net Assets
Primary government - Governmental activities:				
Instruction	\$ 19,873,633	\$ 2,696	\$ 8,857,228	\$ (11,013,709)
Support services	15,337,061	-	984,137	(14,352,924)
Bookstore	31,893	32,288	-	395
Athletics	615,091	39,088	-	(576,003)
Food services	1,090,917	619,623	563,102	91,808
Child care	600,108	679,461	-	79,353
Interest	2,226,269	-	-	(2,226,269)
Depreciation expense (unallocated)	2,869,579	-	-	(2,869,579)
Total primary government	\$ 42,644,551	\$ 1,373,156	\$ 10,404,467	(30,866,928)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,269,859
Property taxes, levied for debt service				3,539,041
State aid not restricted to specific purposes				23,213,513
Interest and investment earnings				297,767
Other				274,509
Total general revenues				30,594,689
Change in Net Assets				(272,239)
Net Assets - Beginning of year				19,697,019
Net Assets - End of year				\$ 19,424,780

Warren Woods Public Schools

Governmental Funds Balance Sheet June 30, 2009

	General Fund	Special Education Center Program	2006 Capital Projects - Series II	Building and Site	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and investments (Note 3)	\$ 6,170,401	\$ -	\$ -	\$ 1,747,687	\$ 529,530	\$ 8,447,618
Receivables:						
Accounts receivable	-	-	-	-	80,862	80,862
Due from other governmental units	5,471,603	-	-	-	-	5,471,603
Due from other funds (Note 5)	26,513	461	-	-	283,997	310,971
Inventories	-	-	-	-	30,398	30,398
Prepaid costs and other assets	24,448	-	-	-	-	24,448
Restricted assets (Note 1)	-	-	2,687,664	-	-	2,687,664
Total assets	\$ 11,692,965	\$ 461	\$ 2,687,664	\$ 1,747,687	\$ 924,787	\$ 17,053,564
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 499,683	\$ -	\$ 357,038	\$ 15,132	\$ -	\$ 871,853
Accrued payroll-related liabilities	3,083,321	-	-	-	-	3,083,321
Other accrued liabilities	408,449	-	-	-	-	408,449
Due to other funds (Note 5)	234,401	461	-	-	68,289	303,151
Deferred revenue (Note 6)	44,896	-	-	-	-	44,896
Total liabilities	4,270,750	461	357,038	15,132	68,289	4,711,670
Fund Balances						
Reserved:						
Capital projects (bonded)	-	-	2,330,626	-	-	2,330,626
Debt service	-	-	-	-	450,270	450,270
Inventories	-	-	-	-	30,398	30,398
Prepaid costs	24,448	-	-	-	-	24,448
Unreserved:						
Designated fund balance:						
Designated for tax tribunal cases	40,000	-	-	-	-	40,000
Designated for compensated absences	457,123	-	-	-	-	457,123
Designated for working capital	5,339,155	-	-	-	-	5,339,155
Designated for various operating purposes	1,325,652	-	-	-	-	1,325,652
Undesignated - Reported in:						
General Fund	235,837	-	-	-	-	235,837
Special Revenue Funds	-	-	-	-	375,830	375,830
Capital Projects Funds	-	-	-	1,732,555	-	1,732,555
Total fund balances	7,422,215	-	2,330,626	1,732,555	856,498	12,341,894
Total liabilities and fund balances	\$ 11,692,965	\$ 461	\$ 2,687,664	\$ 1,747,687	\$ 924,787	\$ 17,053,564

Warren Woods Public Schools

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2009

Fund Balance Reported in Governmental Funds \$ 12,341,894

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

Cost of capital assets	\$ 82,736,827	
Accumulated depreciation	<u>(26,442,397)</u>	56,294,430

Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds:

Bonds payable	(48,395,000)	
Compensated absences	<u>(457,123)</u>	(48,852,123)

Accrued interest payable is not included as a liability in governmental funds		<u>(359,421)</u>
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Net Assets of Governmental Activities **\$ 19,424,780**

Warren Woods Public Schools

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2009

	General Fund	Special Education Center Program	2006 Capital Projects - Series II	Building and Site	Nonmajor Funds	Total Governmental Funds
Revenue						
Local sources	\$ 3,482,858	\$ -	\$ 218,027	\$ 32,096	\$ 4,918,709	\$ 8,651,690
State sources	24,194,394	1,374,640	-	-	71,375	25,640,409
Federal sources	2,539,075	-	-	-	527,366	3,066,441
Interdistrict and other sources	1,406,568	3,614,000	-	-	-	5,020,568
Total revenue	31,622,895	4,988,640	218,027	32,096	5,517,450	42,379,108
Expenditures						
Current:						
Instruction	17,323,926	2,553,454	-	-	-	19,877,380
Support services:						
Pupil	2,670,665	1,361,306	-	-	-	4,031,971
Instructional staff	1,754,471	241,858	-	-	-	1,996,329
General administration	475,411	-	-	-	-	475,411
School administration	1,953,191	-	-	-	-	1,953,191
Business	604,600	-	-	-	-	604,600
Operations and maintenance	4,231,465	-	-	-	-	4,231,465
Pupil transportation services	770,682	5,315	-	-	32,331	808,328
Central	912,078	-	-	-	-	912,078
Other	310,390	-	-	1,630	-	312,020
Bookstore	-	-	-	-	31,893	31,893
Athletics	-	-	-	-	615,091	615,091
Food services	-	-	-	-	1,090,917	1,090,917
Child care	-	-	-	-	600,108	600,108
Debt service:						
Principal	-	-	-	-	1,855,000	1,855,000
Interest	-	-	-	-	2,240,063	2,240,063
Capital outlay	102,806	30,385	9,144,914	424,273	7,764	9,710,142
Total expenditures	31,109,685	4,192,318	9,144,914	425,903	6,473,167	51,345,987
Excess of Revenue Over (Under) Expenditures	513,210	796,322	(8,926,887)	(393,807)	(955,717)	(8,966,879)
Other Financing (Uses) Sources						
Transfers in	821,322	-	-	25,000	1,018,558	1,864,880
Transfers out	(1,018,558)	(796,322)	-	-	(50,000)	(1,864,880)
Total other financing (uses) sources	(197,236)	(796,322)	-	25,000	968,558	-
Net Change in Fund Balances	315,974	-	(8,926,887)	(368,807)	12,841	(8,966,879)
Fund Balances - Beginning of year	7,106,241	-	11,257,513	2,101,362	843,657	21,308,773
Fund Balances - End of year	<u>\$ 7,422,215</u>	<u>\$ -</u>	<u>\$ 2,330,626</u>	<u>\$ 1,732,555</u>	<u>\$ 856,498</u>	<u>\$ 12,341,894</u>

The Notes to Financial Statements are an Integral Part of this Statement.

Warren Woods Public Schools

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (8,966,879)

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	\$ (2,869,579)	
Capitalized capital outlay	<u>9,696,868</u>	6,827,289

Governmental funds do not report loss from disposal of assets; in the statement of activities, these are recorded net of carrying value of the disposed assets (6,796)

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 1,855,000

Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid 13,794

Liabilities for compensated absences are recorded when earned in the statement of activities. In the current year, more was paid out than was earned 5,353

Change in Net Assets of Governmental Activities \$ (272,239)

Warren Woods Public Schools

Fiduciary Fund - Agency Fund (Student Activities) Statement of Fiduciary Assets and Liabilities June 30, 2009

Assets - Cash and investments (Note 3)	<u>\$ 395,685</u>
Liabilities	
Due to student groups	\$ 387,865
Due to other funds (Note 5)	<u>7,820</u>
Total liabilities	<u>\$ 395,685</u>

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note I - Summary of Significant Accounting Policies

The accounting policies of Warren Woods Public Schools (the "School District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. Based on the application of the criteria, the School District does not contain any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note I - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted state aid.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental funds:

General Fund - The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note I - Summary of Significant Accounting Policies (Continued)

2006 Capital Projects Fund - Series II - The 2006 Bond Projects Fund - Series II is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, equipment, and for renovations. The fund operates until the purpose for which it was created is accomplished.

Special Education Center Program Fund - The Special Education Center Program Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures related to special education center programs.

Building and Site Fund - The Building and Site Fund is used to record both proceeds of other revenue and the disbursement of invoices specifically designated for acquiring new school sites and buildings, equipment, and for renovations.

Additionally, the School District reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School District's nonmajor Special Revenue Funds include the Athletic Activities, Bookstore Activities, Food Services, and Child Care Program Funds. Any operating deficit generated by these activities is the responsibility of the General Fund.

Debt Service Funds - Debt Service Funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Capital Project Funds - Capital Project Funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, equipment, and for remodeling and repairs.

Agency Fund (Student Activities) - The School District maintains an Agency Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

Assets, Liabilities, and Net Assets or Equity

Cash and Investments - Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are billed on July 1 for approximately 50 percent of the taxes and on December 1 for the remainder of the property taxes. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

Inventories and Prepaid Costs - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased, including United States Department of Agriculture commodities inventory received by the Food Services Fund. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

Restricted Assets - The unspent bond proceeds and related interest of the Capital Projects Funds require amounts to be set aside for construction. These amounts have been classified as restricted assets.

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$1,000 and any assets susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 to 50 years
Buses and other vehicles	5 to 10 years
Furniture and equipment	5 to 10 years

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated vacation and sick leave benefits. In the fund financial statements, a liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management plans that are subject to change.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General Fund and Special Revenue Funds, except that transfers in and transfers out are reported net and capital outlay expenditures are reported in other expenditure categories. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the School District amended the General Fund budget to reflect changes in funding from state and federal sources.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures Over Appropriations in Budgeted Funds - The School District did not have significant unfavorable expenditure budget variances.

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Capital Projects Fund Compliance - The 2006 Capital Projects Fund - Series II includes capital project activities funded with bonds issued after May 1, 1994. The School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

Note 3 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated six banks for the deposit of its funds.

The School District's cash and investments are subject to several types of risk, which are described in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk of bank deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District's deposit balance of \$3,958,515 included \$2,958,515 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments - Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a policy for custodial credit risk.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity.

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 3 - Deposits and Investments (Continued)

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices.

At June 30, 2009, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund	<u>\$ 8,229,699</u>	n/a 2a7 like pool	AAAm	S&P

Concentration of Credit Risk - The School District places no limit on the amount the School District may invest in any one issuer.

Foreign Currency Risk - Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's policy prohibit investment in foreign currency.

Note 4 - Capital Assets

Capital asset activity of the School District was as follows:

	Balance July 1, 2008	Additions and Adjustments	Disposals and Adjustments	Balance June 30, 2009
Governmental Activities				
Assets not being depreciated:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Construction in progress	12,334,739	9,156,830	20,804,370	687,199
Subtotal	12,338,739	9,156,830	20,804,370	691,199
Capital assets being depreciated:				
Land improvements	2,048,356	1,110,802	-	3,159,158
Buildings and improvements	46,006,685	19,483,713	-	65,490,398
Furniture and equipment	11,613,245	643,583	240,761	12,016,067
Buses and other vehicles	1,273,695	106,310	-	1,380,005
Subtotal	60,941,981	21,344,408	240,761	82,045,628
Accumulated depreciation:				
Land improvements	1,046,070	124,536	-	1,170,606
Buildings and improvements	13,823,993	1,932,946	-	15,756,939
Furniture and equipment	7,877,462	750,704	233,965	8,394,201
Buses and other vehicles	1,059,258	61,393	-	1,120,651
Subtotal	23,806,783	2,869,579	233,965	26,442,397
Net capital assets being depreciated	37,135,198	18,474,829	6,796	55,603,231
Net capital assets	<u>\$ 49,473,937</u>	<u>\$ 27,631,659</u>	<u>\$ 20,811,166</u>	<u>\$ 56,294,430</u>

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 4 - Capital Assets (Continued)

Depreciation expense was not charged to activities as the School District considers its assets to impact multiple activities and allocation is not practical.

Construction Commitments - The School District has active construction projects at year end related to the 2006 Capital Projects - Series II bond issuance. At year end, the School District's commitments with contractors were as follows:

	<u>Spent to Date</u>	<u>Remaining Commitments</u>
2006 Capital Projects Fund - Series II	\$ 34,799,499	\$ 344,508

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Fund Due From</u>	<u>Fund Due To</u>			<u>Total</u>
	General Fund	Special Education Center Program	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 441	\$ 233,960	\$ 234,401
Special Education Center Program	52	-	409	461
Agency funds	4,825	-	2,995	7,820
Nonmajor governmental funds	21,636	20	46,633	68,289
Total	<u>\$ 26,513</u>	<u>\$ 461</u>	<u>\$ 283,997</u>	<u>\$ 310,971</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) and payments between funds are made.

Interfund Transfers

<u>Fund Advanced To</u>	<u>Transfers Out</u>			<u>Total</u>
	General Fund	Special Education Center Program	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 796,322	\$ 25,000	\$ 821,322
Building and Site	-	-	25,000	25,000
Nonmajor governmental funds	1,018,558	-	-	1,018,558
Total	<u>\$ 1,018,558</u>	<u>\$ 796,322</u>	<u>\$ 50,000</u>	<u>\$ 1,864,880</u>

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

Transfers from the General Fund were used to subsidize operations in the Athletic Activities Fund and to fund future unrestricted needs in the Building and Site Fund. Transfers from the Child Care Program Fund were used to fund building improvements in the Child Care area through the Building and Site Fund. Transfers to the General Fund consist of reimbursement by the Special Education Center Program and Food Services Funds for certain indirect expenses.

Note 6 - Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, deferred revenue was comprised of unearned revenue totaling \$44,896 related to grant and categorical aid payment received prior to meeting all eligibility requirements.

Note 7 - Long-term Debt

The School District issues bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities					
Bonds	\$ 50,250,000	\$ -	\$ 1,855,000	\$ 48,395,000	\$ 2,040,000
Other obligations - Compensated absences	462,476	55,416	60,769	457,123	45,713
Total governmental activities	<u>\$ 50,712,476</u>	<u>\$ 55,416</u>	<u>\$ 1,915,769</u>	<u>\$ 48,852,123</u>	<u>\$ 2,085,713</u>

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above governmental bond obligations are as follows:

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 2,040,000	\$ 2,170,088	\$ 4,210,088
2011	2,140,000	2,092,426	4,232,426
2012	2,240,000	2,006,200	4,246,200
2013	2,350,000	1,908,100	4,258,100
2014	2,480,000	1,808,162	4,288,162
2015-2019	14,315,000	7,234,960	21,549,960
2020-2024	16,895,000	3,675,888	20,570,888
2025-2026	5,935,000	388,250	6,323,250
Total	<u>\$ 48,395,000</u>	<u>\$ 21,284,074</u>	<u>\$ 69,679,074</u>

Governmental Activities

General obligation bonds consist of the following at June 30, 2009:

\$17,775,000 2005 general obligation unlimited tax and refunding bonds due in annual installments of \$525,000 to \$835,000 through May 1, 2025; interest at 3.25 percent - 5.00 percent	\$ 10,885,000
\$34,365,000 2006 general obligation unlimited tax and refunding bonds due in annual installments of \$1,300,000 to \$2,600,000 through May 1, 2026; interest at 4.00 percent - 5.00 percent	32,200,000
\$5,500,000 2007 general obligation unlimited tax and refunding bonds due in annual installments of \$215,000 to \$515,000 through May 1, 2023; interest at 4.00 percent	<u>5,310,000</u>
Total	<u>\$ 48,395,000</u>

Note 8 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and participates in the SET-SEG risk pool for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The SET-SEG shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 9 - Defined Contribution Pension Plan

Plan Description - The School District participates in the Michigan Public School Employees' Retirement System (MPSERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The system also provides postemployment healthcare benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment healthcare plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Pension Benefits - Employer contributions to the pension system result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits. The employer contribution rate was 10.17 percent of covered payroll for the period from July 1, 2008 through September 30, 2008 and 9.73 percent for the period from October 1, 2008 through June 30, 2009. Basic plan members make no contributions, but member investment plan members contribute at rates ranging from 3 percent to 4.3 percent of gross wages. The School District's required contributions to the plan for the years ended June 30, 2009, 2008, and 2007 were approximately \$3,253,000, \$3,093,000, and \$3,408,000, respectively.

Warren Woods Public Schools

Notes to Financial Statements June 30, 2009

Note 9 - Defined Contribution Pension Plan (Continued)

Postemployment Benefits - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing the coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate was 6.55 percent of covered payroll for the period from July 1, 2008 through September 30, 2008 and 6.81 percent for the period from October 1, 2008 through June 30, 2009. The School District's required contributions to the plan for retiree healthcare benefits for the years ended June 30, 2009, 2008, and 2007 were approximately \$324,000, \$330,000, and \$357,000, respectively.

Required Supplementary Information

Warren Woods Public Schools

Required Supplementary Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual
Revenue			
Local sources	\$ 3,474,586	\$ 3,411,853	\$ 3,482,858
State sources	24,729,904	24,375,416	24,194,394
Federal sources	1,190,231	2,591,181	2,539,075
Interdistrict and other sources	1,095,018	1,408,639	1,406,568
Total revenue	30,489,739	31,787,089	31,622,895
Expenditures - Current			
Instruction:			
Basic programs	13,704,117	13,953,165	13,908,089
Added needs	3,252,387	3,343,895	3,281,744
Adult and continuing education	207,028	212,250	184,255
Support services:			
Pupil	2,735,534	2,679,829	2,670,665
Instructional staff	1,896,593	1,845,794	1,801,904
General administration	580,537	508,423	475,411
School administration	2,013,584	1,979,435	1,953,191
Business services	666,952	618,999	604,600
Operations and maintenance	4,612,503	4,384,642	4,236,676
Transportation	762,479	786,024	770,682
Central support services	965,881	932,116	912,078
Other support services	251,001	313,096	310,390
Total expenditures	31,648,596	31,557,668	31,109,685
Excess of Revenue (Under) Over Expenditures	(1,158,857)	229,421	513,210
Other Financing Uses - Transfers out - Net	(265,273)	(217,066)	(197,236)
Net Change in Fund Balance	(1,424,130)	12,355	315,974
Fund Balance - July 1, 2008	7,106,241	7,106,241	7,106,241
Fund Balance - June 30, 2009	\$ 5,682,111	\$ 7,118,596	\$ 7,422,215

Warren Woods Public Schools

Required Supplementary Information Budgetary Comparison Schedule - Special Education Center Fund Year Ended June 30, 2009

	Original Budget	Final Budget	Actual
Revenue			
State sources	\$ 1,406,314	\$ 1,374,640	\$ 1,374,640
Interdistrict and other sources	<u>3,508,497</u>	<u>3,614,000</u>	<u>3,614,000</u>
Total revenue	4,914,811	4,988,640	4,988,640
Expenditures - Current			
Instruction - Added needs	2,868,202	2,597,651	2,583,839
Support services:			
Pupil	1,088,786	1,365,931	1,361,306
Instructional staff	255,776	242,572	241,858
Pupil transportation services	<u>115</u>	<u>4,765</u>	<u>5,315</u>
Total expenditures	<u>4,212,879</u>	<u>4,210,919</u>	<u>4,192,318</u>
Excess of Revenue Over Expenditures	701,932	777,721	796,322
Other Financing Uses - Transfers out - Net	<u>(701,932)</u>	<u>(777,721)</u>	<u>(796,322)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Supplementary Information

Warren Woods Public Schools

	Special Revenue Funds			
	Athletic Activities	Bookstore Activities	Food Services	Child Care Program
Assets				
Cash and investments	\$ -	\$ 10,011	\$ 69,249	\$ -
Receivables - Accounts receivable	-	-	28,822	52,040
Due from other funds	216	-	143,744	140,037
Inventories	-	14,508	15,890	-
Total assets	<u>\$ 216</u>	<u>\$ 24,519</u>	<u>\$ 257,705</u>	<u>\$ 192,077</u>
Liabilities and Fund Balances				
Liabilities - Due to other funds	\$ 216	\$ 21,646	\$ 6,243	\$ 40,184
Fund Balances				
Reserved:				
Debt service	-	-	-	-
Inventories	-	14,508	15,890	-
Unreserved, reported in unreserved fund balance - Special Revenue Funds	-	(11,635)	235,572	151,893
Total fund balances	-	2,873	251,462	151,893
Total liabilities and fund balances	<u>\$ 216</u>	<u>\$ 24,519</u>	<u>\$ 257,705</u>	<u>\$ 192,077</u>

**Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

Debt Service Funds				Total Nonmajor Governmental Funds
2005 Issue	2006 Issue	2007 Issue	2007 Energy	
\$ 114,544	\$ 335,726	\$ -	\$ -	\$ 529,530
-	-	-	-	80,862
-	-	-	-	283,997
-	-	-	-	30,398
\$ 114,544	\$ 335,726	\$ -	\$ -	\$ 924,787
\$ -	\$ -	\$ -	\$ -	\$ 68,289
114,544	335,726	-	-	450,270
-	-	-	-	30,398
-	-	-	-	375,830
114,544	335,726	-	-	856,498
\$ 114,544	\$ 335,726	\$ -	\$ -	\$ 924,787

Warren Woods Public Schools

	Special Revenue Funds			
	Athletic Activities	Bookstore Activities	Food Services	Child Care Program
Revenue				
Local sources	\$ 39,187	\$ 32,392	\$ 622,134	\$ 679,461
State sources	-	-	71,375	-
Federal sources	-	-	527,366	-
Total revenue	39,187	32,392	1,220,875	679,461
Expenditures				
Current:				
Support services	32,331	-	-	-
Bookstore	-	31,893	-	-
Athletics	615,091	-	-	-
Food services	-	-	1,090,917	-
Child care	-	-	-	600,108
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	6,059	-
Total expenditures	647,422	31,893	1,096,976	600,108
Excess of Revenue Over (Under) Expenditures	(608,235)	499	123,899	79,353
Other Financing Sources (Uses)				
Transfers in	608,235	-	-	-
Transfers out	-	-	(25,000)	(25,000)
Total other financing sources (uses)	608,235	-	(25,000)	(25,000)
Net Change in Fund Balances	-	499	98,899	54,353
Fund Balances - Beginning of year	-	2,374	152,563	97,540
Fund Balances - End of year	\$ -	\$ 2,873	\$ 251,462	\$ 151,893

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009

Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
2005 Issue	2006 Issue	2007 Issue	2007 Energy	
\$ 865,077	\$ 2,680,310	\$ 2	\$ 146	\$ 4,918,709
-	-	-	-	71,375
-	-	-	-	527,366
865,077	2,680,310	2	146	5,517,450
-	-	-	-	32,331
-	-	-	-	31,893
-	-	-	-	615,091
-	-	-	-	1,090,917
-	-	-	-	600,108
500,000	1,165,000	190,000	-	1,855,000
516,975	1,502,763	220,325	-	2,240,063
-	-	-	1,705	7,764
1,016,975	2,667,763	410,325	1,705	6,473,167
(151,898)	12,547	(410,323)	(1,559)	(955,717)
-	-	410,323	-	1,018,558
-	-	-	-	(50,000)
-	-	410,323	-	968,558
(151,898)	12,547	-	(1,559)	12,841
266,442	323,179	-	1,559	843,657
\$ 114,544	\$ 335,726	\$ -	\$ -	\$ 856,498

Warren Woods Public Schools

Other Supplementary Information Schedule of Bonded Indebtedness June 30, 2009

Years Ending June 30	2005 Issue	2006 Issue	2007 Issue
	Principal	Principal	Principal
2010	\$ 525,000	\$ 1,300,000	\$ 215,000
2011	550,000	1,350,000	240,000
2012	550,000	1,425,000	265,000
2013	575,000	1,475,000	300,000
2014	600,000	1,550,000	330,000
2015	625,000	1,625,000	360,000
2016	650,000	1,700,000	390,000
2017	675,000	1,775,000	405,000
2018	700,000	1,875,000	420,000
2019	725,000	1,950,000	440,000
2020	725,000	2,050,000	460,000
2021	750,000	2,125,000	475,000
2022	775,000	2,200,000	495,000
2023	800,000	2,300,000	515,000
2024	825,000	2,400,000	-
2025	835,000	2,500,000	-
2026	-	2,600,000	-
Total	\$ 10,885,000	\$ 32,200,000	\$ 5,310,000
Principal payments due	May 1	May 1	May 1
Interest payments due	May 1 and Nov 1	May 1 and Nov 1	May 1 and Nov 1
Interest rate	3.25% - 5.0%	4.0% to 5.0%	4%
Original issue	\$ 17,775,000	\$ 34,365,000	\$ 5,500,000