



**WAPS-FM
AKRON CITY SCHOOL DISTRICT
SUMMIT COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED JUNE 30, 2008**



Mary Taylor, CPA
Auditor of State

**WAPS-FM
AKRON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

WAPS-FM
Akron City School District
Summit County
65 Steiner Avenue
Akron, Ohio 44301

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities and each major fund of WAPS-FM, Akron City School District, Summit County, Ohio, (the Station) as of and for the year ended June 30, 2008 and have issued our report thereon dated November 24, 2008, which collectively comprise the Station's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Station's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements of WAPS-FM, Akron City School District, Summit County, Ohio are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and each major fund of the Akron City School District that is attributable to the transactions of the Station. They do not purport to, and do not present fairly the financial position the Akron City School District as of June 30, 2008, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of WAPS-FM, Akron City School District, Summit County, Ohio, as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2008, on our consideration of the Station's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 24, 2008

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The discussion and analysis of WAPS-FM's (the "Station") financial performance provides an overall review of the Station's financial activities for the fiscal year ended June 30, 2008. The Station is a segment of the Akron City School District (the "School District"). The intent of this discussion and analysis is to look at the Station's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Station's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2008 are as follows:

- Total net assets increased \$126,306. This is a 12.8 percent increase from fiscal year 2007.
- Total revenues decreased to \$745,647 from \$798,011. This is a decrease of \$52,364 or 6.6 percent.
- Total program expenses were \$619,341. Total program expenses increased from \$543,254 from fiscal year 2007. This is an increase of \$76,087 or 14.0 percent.
- The fund balance in the general fund increased \$137,410. This is a 20.8 percent increase from fiscal year 2007.

Station Highlights

Significant Station highlights for the fiscal year ended June 30, 2008 are as follows:

- Membership contributions revenue was \$127,657 in fiscal year 2008 and continues to be a major source of revenue for the Station. This increased \$5,711 or 4.7% from \$121,946 from fiscal year 2007.
- Underwriting revenue was \$278,173. This increased \$29,565 or 11.9 percent from \$248,608 from fiscal year 2007.
- The Station continued to work with national consultants to increase revenue, its listening audience and listener loyalty.

Using this Annual Report

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

The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole Station, presenting both an aggregate view of the Station's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, the fund financial statements tell how services were financed in the short-term and what remains for future spending. Also, the fund financial statements look at each of the Station's funds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Reporting the Station as a Whole – Statement of Net Assets and Statement of Activities

While the basic financial statements contain the funds used by the Station to provide programs and activities, the view of the Station as a whole looks at all financial transactions and asks the question, “How did we do financially during fiscal year 2008?” The Statement of Net Assets and the Statement of Activities answer this question. These two statements include all assets and liabilities using the accrual basis of accounting similar to the basis of accounting used by most companies in the private sector. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the Station’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the Station as a whole, the financial position of the Station has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Station’s popularity, listening area, listening audience, number of members, and other factors.

In the Statement of Net Assets and the Statement of Activities, the activities of the Station’s programs and services are accounted for in the following activity:

Governmental Activities – All of the Station’s programs and services are reported here including program services and support services.

Reporting the Station’s Most Significant Funds – Fund Financial Statements

The analysis of the Station’s major funds begins on page 9. Fund financial reports provide detailed information about the Station’s major funds. The Station uses funds to account for a multitude of financial transactions, and the fund financial statements focus on the Station’s funds. The Station’s major governmental funds are the general fund and the Corporation for Public Broadcasting (CPB) grants fund.

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

The Station as a Whole

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

Table 1 provides a summary of the Station’s net assets for fiscal year 2008 compared to fiscal year 2007 as follows:

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Table 1
Net Assets at June 30,

	Governmental Activities	
	2008	2007
Assets		
Current and Other Assets	\$894,164	\$964,625
Capital Assets, Net	313,368	105,970
<i>Total Assets</i>	<u>1,207,532</u>	<u>1,070,595</u>
Liabilities		
Current and Other Liabilities	62,730	53,094
Long-Term Liabilities:		
Due Within One Year	8,361	8,935
Due in More than One Year	21,401	19,832
<i>Total Liabilities</i>	<u>92,492</u>	<u>81,861</u>
Net Assets		
Invested in Capital Assets	313,368	105,970
Restricted:		
Other Purposes	27,806	241,634
Unrestricted	773,866	641,130
<i>Total Net Assets</i>	<u>\$1,115,040</u>	<u>\$988,734</u>

Total assets increased \$136,937. Capital assets increased \$207,398. The Station acquired a new antenna, transmitter, audio processor, four-channel microwave system and other related equipment used in an upgrade to high definition radio. This purchase totaled \$193,209 during the current fiscal year and it accounts for the majority of this increase. See below for further explanation of the increase in capital assets.

The increase in capital assets is partly offset by a decrease of \$30,590 in cash and cash equivalents. Cash and cash equivalents decreased in the CPB grants fund by \$180,291 but increased in the general fund by \$149,701.

The \$180,291 decrease in cash and cash equivalents in the CPB grants fund is attributed to the Station spending more CPB grants money during the current fiscal year than it received. During fiscal year 2008, the Station expended \$304,687 of CPB grants money but only received \$124,396. As previously discussed, the Station purchased some equipment to be used in an upgrade to high definition radio. Of the \$193,209 spent on that purchase, the Station used \$118,366 of CPB grants money. Additionally, the Station used CPB grants money in the amount of \$19,584 to purchase some on-air broadcasting hardware. Thus, a total of \$137,950 CPB grants money was used to purchase equipment during the current fiscal year. Other areas where the Station spent significant amounts of CPB grants money during the 2008 fiscal year include technical services (\$59,496), national program acquisition and promotions (\$49,524), supplies (\$24,699), tower rent (\$7,581) and audit fees (\$7,302).

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The increase of \$149,701 in cash and cash equivalents in the general fund is partly due to an increasing popularity of the Station through its marketing and on-air product. In addition, the Station is benefiting from the increase in signal power. The Station more than doubled its power by going to a taller tower in fiscal year 2003. The Station continues to reap the benefits of this power increase. This led to an increase in the number of underwriters and memberships, which resulted in increased revenue. Also, the Station hired 3 sales consultants in fiscal year 2005 which has increased underwriting revenue every fiscal year including the current fiscal year.

The increase in cash and cash equivalents in the general fund can also be attributed to an increase in the new high definition antenna fundraising revenue during fiscal year 2008. This fundraising campaign solicited donations in the amount of \$55,000 in fiscal year 2008 as opposed to only \$10,885 in fiscal year 2007. This increase amounted to \$44,115.

In addition, the increase in capital assets is offset by a decrease in CPB grants receivable of \$35,080. The Station was awarded a \$105,000 Digital Conversion Grant from CPB during the 2007 fiscal year. Of this \$105,000 award amount, the Station received \$50,000 in fiscal year 2007 and another \$27,500 in fiscal year 2008. That means \$55,000 of this award amount was recorded as a CPB grants receivable as of June 30, 2007 and \$27,500 was recorded as a CPB grants receivable as of June 30, 2008. This is a decrease of \$27,500 from the prior fiscal year.

Also, the Station was awarded a \$25,280 Challenge Grant from CPB in fiscal year 2006. As of June 30, 2007, the Station had not received \$7,580 of this \$25,280 award amount, however, as of June 30, 2008 the Station received the entire award amount. That means there was no CPB grants receivable recorded as of June 30, 2008, but \$7,580 was recorded as a CPB grants receivable as of June 30, 2007. This is a decrease of \$7,580 from the prior fiscal year.

Total liabilities increased \$10,631. The largest increase occurred in deferred revenue. Deferred revenue increased \$4,231. Deferred revenue arises from underwriting payments received in one fiscal year but are for underwriting spots that will take place in the next fiscal year. As of June 30, 2007, the Station received \$31,859 in underwriting revenue where the underwriting spots occurred in fiscal year 2008. On the other hand, the Station received \$36,090 in underwriting revenue as of June 30, 2008 for underwriting spots that will air in fiscal year 2009.

The net impact of the assets increase and the liabilities increase was an increase of net assets of \$126,306.

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Table 2 shows the changes in net assets for fiscal years 2008 and 2007 for governmental activities as follows:

	2008	2007
Revenues		
<i>Program Revenues:</i>		
Operating Grants, Contributions and Interest	\$89,316	\$228,147
Capital Grants and Contributions	55,000	10,885
<i>Total Program Revenues</i>	144,316	239,032
<i>General Revenues:</i>		
Akron City School District	107,420	120,245
Membership Contributions	127,657	121,946
Underwriting	278,173	248,608
In-Kind Contributions	8,000	0
Donated Facilities and Administrative Support	70,510	57,520
Miscellaneous	9,571	10,660
<i>Total General Revenues</i>	601,331	558,979
Total Revenues	745,647	798,011
Program Expenses		
<i>Program Services:</i>		
Programming and Production	434,157	386,774
Broadcasting	51,079	45,503
Public Information	25,536	22,751
<i>Support Services:</i>		
Management and General	75,999	61,758
Fundraising and Membership	32,570	26,468
Total Program Expenses	619,341	543,254
Increase in Net Assets	\$126,306	\$254,757

While program revenues decreased for governmental activities from \$239,032 to \$144,316, the vast majority of revenues supporting governmental activities are general revenues. General revenues increased from \$558,979 in fiscal year 2007 to \$601,331 in fiscal year 2008. General revenues comprised 80.6 percent of revenues supporting governmental activities. The primary sources of the increase were underwriting revenue (\$29,565) and donated facilities and administrative support (\$12,990). The increase in underwriting revenue was the result of increasing popularity of the Station through its marketing and on-air product, the increase in signal power and the hiring of 3 sales consultants in fiscal year 2005, as previously discussed. The increase in donated facilities and administrative support is mainly attributed to

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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a reallocation of costs. Indirect administrative support from the School District consists of allocated costs based on a formula developed by CPB. Some of these costs were reallocated during fiscal year 2008 to better reflect which cost groups of the School District support and do not support the Station.

Program revenues decreased \$94,716. This decrease is mostly due to the Station recognizing less program revenue from CPB in fiscal year 2008 than it did in fiscal year 2007. The Station recognized \$228,147 in program revenue from CPB during the prior fiscal year but only recognized \$89,316 in program revenue from CPB during the current fiscal year. This is a decrease of \$138,831. As previously discussed, the Station was awarded a \$105,000 Digital Conversion Grant from CPB during fiscal year 2007 in addition to its annual grant from CPB. Plus, this decrease is due to the award amount of the Station's annual grant from CPB decreasing \$33,831 from fiscal year 2007 (\$123,147) to fiscal year 2008 (\$89,316).

The decrease in program revenue from CPB is offset by an increase in program revenue received in connection with the new high definition antenna fundraising campaign. As previously discussed, this revenue increased \$44,115.

Program expenses increased from \$543,254 in fiscal year 2007 to \$619,341, a \$76,087 or 14.0 percent increase. Increases in the following expense categories account of the majority of this increase: technical services, national program acquisition and promotions and supplies. Technical services expenses increased in fiscal year 2008 because the Station hired more individual contractors and increased the compensation paid to individual contractors. National program acquisition and promotions expenses increased because the programs were more expensive to run in 2008 fiscal year than last fiscal year. These increases also account for most of the increase in programming and production expenses. Programming and production expenses had the largest increase in terms of dollars (\$47,383) and the largest amount of expenses, comprising 70.0 percent of expenses.

Both management and general expenses and fundraising and membership expenses had the largest increases in terms of percentage (23.1 percent). These 2 expense categories increased by \$20,343 in aggregate, and they increased because both donated facilities and administrative support (\$12,990), as previously discussed, and in-kind contributions increased (\$8,000). In-kind contributions occur when an organization allows the Station to use its venue for a concert at no charge. The Station received \$8,000 worth of these free services in fiscal year 2008; the Station received no such services in fiscal year 2007. The Station records a corresponding expense in both management and general expenses (70%) and fundraising and membership expenses (30%) for donated facilities and administrative support and in-kind contributions.

While expense increases were consistent with expectations, the increases in underwriting revenue and donated facilities and administrative support and the decrease in program revenue resulted in a rise of net assets of \$126,306.

The Statement of Activities shows the cost of program services and the charges of services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported mainly by Akron City School District support, membership contributions, and underwriting revenue.

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 3

	<u>2008</u>		<u>2007</u>	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Program Expenses				
Program Services:				
Programming and Production	\$434,157	\$311,489	\$386,774	\$183,597
Broadcasting	51,079	36,647	45,503	21,599
Public Information	25,536	18,320	22,751	10,800
Support Services:				
Management and General	75,999	75,999	61,758	61,758
Fundraising and Membership	<u>32,570</u>	<u>32,570</u>	<u>26,468</u>	<u>26,468</u>
Total	<u><u>\$619,341</u></u>	<u><u>\$475,025</u></u>	<u><u>\$543,254</u></u>	<u><u>\$304,222</u></u>

The dependence upon general revenues for governmental activities is apparent. 76.7 percent of governmental activities are supported through Akron City School District support and other general revenues; such revenues are 80.6 percent of total governmental revenues. The School District, underwriters and members are by far the primary support for the Station's listening audience.

The Station's Funds

Information about the Station's major funds begins on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$784,406 and expenditures of \$825,744. The net change in fund balances for the fiscal year was a decrease of \$41,338 for all governmental funds. The general fund's net change in fund balance for fiscal year 2008 was an increase of \$137,410 and the CPB grants fund's net change in fund balance for fiscal year 2008 was a decrease of \$178,748. This played a significant part in causing the undesignated fund balances in the general fund to increase from \$660,226 in fiscal year 2007 to \$798,151 in fiscal year 2008 and in the CPB grants fund to decrease from \$179,054 in fiscal year 2007 to negative \$4,694 in fiscal year 2008. The general fund's net change in fund balance can be attributed to the same factors that increased Governmental Activity revenues regarding underwriting revenue and new high definition antenna fundraising revenue. The CPB grants fund's net change in fund balance is due to the same reasons that decreased cash and cash equivalents.

Capital Assets

At the end of fiscal year 2008, the Station had \$313,368 invested in furniture and fixtures, equipment and vehicles. Table 4 shows fiscal year 2008 balances compared to fiscal year 2007 as follows:

WAPS-FM AKRON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Table 4
 Capital Assets at June 30,
 (Net of Depreciation)

	Governmental Activities	
	2008	2007
Furniture and Fixtures	\$10,796	\$7,745
Office Equipment	5,931	6,193
Broadcasting Equipment	294,724	89,115
Vehicles	1,917	2,917
Totals	\$313,368	\$105,970

As previously stated, the majority of this increase is because the Station acquired a new antenna, transmitter, audio processor, four-channel microwave system and other related equipment used in an upgrade to high definition radio. This purchase totaled \$193,209. Additionally, the Station acquired some on-air broadcasting hardware during fiscal year 2008, which cost \$19,584. For further information on capital assets, see Note 5 to the basic financial statements.

For the Future

For the future, the Station has very clear and obtainable revenue goals. This includes both traditional and non-traditional goals.

Traditional revenue goals include membership contributions and business support. The Station anticipates an increase in underwriting revenue with a recent rate increase and the reconfiguration of sponsorship packages. However with a distressing local and national economy, the Station is keeping its growth goal at fewer than 7.0 percent.

Also, the goal for the future is to retain current Station members and market to potential new members. Once again, the economic slowdown has a direct impact on philanthropic giving to public radio. The Station would be happy to see a 2.0 percent increase over fiscal year 2008.

The Station's volunteer program is expected to grow in future fiscal years. This program was first introduced in fiscal year 2004 with nearly 75 active people giving their time at Station and charitable events.

The Station will continue to use an advisory board. The Station's general manager created an advisory board in fiscal year 2006. The advisory board's purpose is to raise awareness of the Station to its listening audience and to increase member and underwriting contributions.

Contacting the Station's Management

This financial report is designed to provide our audience, advisory board, members, underwriters, investors, creditors, and CPB with a general overview of the Station's finances and to show the Station's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tommy Bruno, General Manager, at WAPS, 91.3 FM, 65 Steiner Avenue, Akron, Ohio 44301.

WAPS-FM Akron City School District

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$853,960
Accounts Receivable	12,704
CPB Grants Receivable	27,500
Depreciable Capital Assets, Net	<u>313,368</u>
<i>Total Assets</i>	<u>1,207,532</u>
Liabilities	
Accounts Payable	8,717
Compensated Absences Payable	4,463
Intergovernmental Payable	13,460
Deferred Revenue	36,090
Long-Term Liabilities:	
Due Within One Year	8,361
Due In More Than One Year	<u>21,401</u>
<i>Total Liabilities</i>	<u>92,492</u>
Net Assets	
Invested in Capital Assets	313,368
Restricted for:	
Other Purposes	27,806
Unrestricted	<u>773,866</u>
<i>Total Net Assets</i>	<u>\$1,115,040</u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expenses) and Changes in Net Assets
	Expenses	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Program Services:				
Programming and Production	\$434,157	\$75,918	\$46,750	(\$311,489)
Broadcasting	51,079	8,932	5,500	(36,647)
Public Information	25,536	4,466	2,750	(18,320)
Support Services:				
Management and General	75,999	0	0	(75,999)
Fundraising and Membership	32,570	0	0	(32,570)
<i>Total Governmental Activities</i>	<u>\$619,341</u>	<u>\$89,316</u>	<u>\$55,000</u>	<u>(\$475,025)</u>
General Revenues				
Akron City School District				107,420
Membership Contributions				127,657
Underwriting				278,173
In-Kind Contributions				8,000
Donated Facilities Use and Administrative Support				70,510
Miscellaneous				9,571
<i>Total General Revenues</i>				<u>601,331</u>
Change in Net Assets				126,306
<i>Net Assets at Beginning of Fiscal Year</i>				<u>988,734</u>
<i>Net Assets at End of Fiscal Year</i>				<u><u>\$1,115,040</u></u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District

Balance Sheet
Governmental Funds
June 30, 2008

	General	CPB Grants	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$853,404	\$556	\$853,960
Accounts Receivable	12,704	0	12,704
CPB Grants Receivable	0	27,500	27,500
<i>Total Assets</i>	<u>\$866,108</u>	<u>\$28,056</u>	<u>\$894,164</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$8,467	\$250	\$8,717
Compensated Absences Payable	4,463	0	4,463
Intergovernmental Payable	13,460	0	13,460
Deferred Revenue	41,567	27,500	69,067
<i>Total Liabilities</i>	<u>67,957</u>	<u>27,750</u>	<u>95,707</u>
Fund Balances			
Reserved for Encumbrances	0	5,000	5,000
Undesignated, Reported in:			
General Fund	798,151	0	798,151
Special Revenue Fund	0	(4,694)	(4,694)
<i>Total Fund Balances</i>	<u>798,151</u>	<u>306</u>	<u>798,457</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$866,108</u>	<u>\$28,056</u>	<u>\$894,164</u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2008*

Total Governmental Fund Balances	\$798,457
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	313,368
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
Deferred Membership Contributions Revenue	5,477
Deferred CPB Grants Revenue	27,500
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	<u>(29,762)</u>
 <i>Net Assets of Governmental Activities</i>	 <u><u>\$1,115,040</u></u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	CPB Grants	Total Governmental Funds
Revenues			
Akron City School District	\$107,420	\$0	\$107,420
CPB Grants	0	124,396	124,396
Membership Contributions	131,336	0	131,336
Underwriting	278,173	0	278,173
In-Kind Contributions	8,000	0	8,000
Donated Facilities Use and Administrative Support	70,510	0	70,510
New HD Antenna Fundraising	55,000	0	55,000
Miscellaneous	9,571	0	9,571
<i>Total Revenues</i>	<u>660,010</u>	<u>124,396</u>	<u>784,406</u>
Expenditures			
Current:			
Program Services:			
Programming and Production	344,253	257,673	601,926
Broadcasting	40,501	30,315	70,816
Public Information	20,249	15,156	35,405
Support Services:			
Management and General	82,318	0	82,318
Fundraising and Membership	35,279	0	35,279
<i>Total Expenditures</i>	<u>522,600</u>	<u>303,144</u>	<u>825,744</u>
<i>Net Change in Fund Balances</i>	137,410	(178,748)	(41,338)
<i>Fund Balances at Beginning of Fiscal Year</i>	<u>660,741</u>	<u>179,054</u>	<u>839,795</u>
<i>Fund Balances at End of Fiscal Year</i>	<u><u>\$798,151</u></u>	<u><u>\$306</u></u>	<u><u>\$798,457</u></u>

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
*Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2008*

Net Change in Fund Balances - Total Governmental Funds (\$41,338)

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

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which capital
outlays exceeded depreciation in the current period:

Capital Asset Additions	219,087	
Current Year Depreciation	(11,689)	
Total		207,398

Revenues reported in the prior year in the
statement of activities are reported as
revenues in the funds:

Membership Contributions	(3,679)	
CPB Grants	(35,080)	
Total		(38,759)

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

Compensated Absences		(995)

Change in Net Assets of Governmental Activities \$126,306

See accompanying notes to the basic financial statements

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 1 – Description of the Station and Reporting Entity

WAPS-FM (the "Station") is a non-profit, public telecommunications radio station operated by the Akron City School District (the "School District"). The Station does not have a separate governing board and the School District provides funds for the Station to the extent necessary. A portion of the School District's general fund and portions of one of its special revenue funds comprise the operations of the Station.

The Station is staffed by 6 employees. The School District has provided space for the Station in one of its administrative buildings. The Station's mission is to provide the highest quality information and music programming, both national and local, to its listeners in the Northeast Ohio area.

Reporting Entity

A reporting entity is comprised of the primary government, segments, component units, and other organizations that are included to ensure that the basic financial statements are not misleading. The Station is a segment of the School District. The segment consists of all funds, departments and programs that are not legally separate from the Station. For the Station, this includes general operations of the Station. Budgetary statements are not required since the budgetary level of control is the responsibility of the School District and not with the Station.

Component units are legally separate organizations for which the Station is financially accountable. The Station is financially accountable for an organization if the Station appoints a voting majority of the organization's governing board and (1) the Station is able to significantly influence the programs or services performed or provided by the organization; or (2) the Station is legally entitled to or can otherwise access the organization's resources; the Station is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Station is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Station in that the Station approves the budget, the issuance of debt, or the levying of taxes. The Station does not have any component units.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Station have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Station also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Station's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements. The statement of net assets and the statement of activities display information about the Station as a whole. These statements include the financial activities of the Station.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The statement of net assets presents the financial condition of the governmental activities of the Station at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Station's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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 Station with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the Station.

Fund Financial Statements During the fiscal year, the Station segregates transactions related to certain Station 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 Station at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The Station uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Station only has governmental funds.

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 and liabilities is reported as fund balances. The following are the Station's major governmental funds:

General Fund The general fund is the operating fund of the Station and is used to account for all financial resources except those required to be accounted for in another fund.

CPB Grants Fund The Corporation for Public Broadcasting (CPB) Grants fund accounts for CPB grants whose use is restricted to a particular purpose.

C. Measurement Focus

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

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

D. Basis of Accounting

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

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 Station, available means expected to be received within 60 days of fiscal year end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: grants, underwriting and membership contributions.

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

Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents of the Station consist of monies held in the School District's cash management pool. Monies for all of the Station's funds are maintained in this pool. Individual fund integrity is maintained through School District records.

During fiscal year 2008, the School District's investments were limited to overnight repurchase agreements, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Farm Credit Bank Notes, United States Treasury Notes, a First American Treasury Money Market Fund, an Allegiant Treasury Money Market Fund, a Fifth Third Institutional Money Market Fund and certificates of deposit. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at a fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the basic financial statements as cash equivalents. Investments with an original maturity of more than three months are presented on the basic financial statements as investments.

F. Donated Inventory of Music

During the ordinary course of business, the Station receives free compact discs from record companies for promotional purposes. From the compact discs received, the Station selects music to be played on the air, compact discs to be used as prizes for on-air contests, and compact discs to be used as incentives for membership pledges. The Station does not include the library of compact discs as an asset nor as a promotional expenditure/expense on its books and records. The Station does, however, include in "Donated Facilities Use and Administrative Support" (See Note 2G) the cost to mail the compact discs to the contest winners as well as to certain members upon payment of their membership to the Station.

G. Support and Revenue from the Akron City School District

The Station has an arrangement with the Akron City School District whereby the School District subsidizes the Station for certain management oversight expenditures/expenses incurred. The amount of the expenditures/expenses paid by the School District on behalf of the Station totaled \$107,420 during fiscal year 2008. This amount is also included in the basic financial statements as Akron City School District revenue. All of the Station employees are employees of the School District.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Donated facilities from the School District consist of approximately 2,000 square feet of office and studio space in an administrative building to which the School District holds title. Indirect administrative support from the School District consists of allocated costs based on a formula developed by CPB. The collective total of this space and indirect administrative support was \$70,510 for fiscal year 2008, and is included in donated facilities use and administrative support revenue and support services expenditures/expenses.

H. Capital Assets

All capital assets of the Station are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

All reported capital assets are depreciated. 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>Estimated Lives</u>
Furniture and Fixtures	15 - 30 years
Office Equipment	10 years
Broadcasting Equipment	10 - 30 years
Vehicles	5 years

I. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Station has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and the employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The Station records a liability for accumulated unused sick leave for employees after 15 years of service at any age and at age 50 with any amount of service, based on historical employment trends.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

J. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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.

K. Fund Balance Reserves

The Station reserves those portions of fund balances which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicate that portion of fund balance which is available for appropriation in future periods. Fund balance reserves are established for encumbrances.

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Station or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. Net assets restricted for other purposes represent CPB grants.

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

M. Estimates

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

Note 3 - Deposits and Investments

The Station's cash and cash equivalents of \$853,960 consist of monies held in the School District's cash management pool. Thus, a determination of the breakdown of the Station's cash and cash equivalents between deposits and investments is not practically determinable.

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$397,905 was covered by Federal Deposit Insurance Corporation, and \$4,425,130 of the School District's bank balance of \$4,823,035 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District has no deposit policy for custodial risk beyond the requirements of State statute.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

As of June 30, 2008, the School District had the following investments:

	Carrying Value	Maturities In Years		% to
		Less than 1	1-4	Total
Overnight Repurchase Agreements	\$93,734,000	\$93,734,000	\$0	48.40%
Federal Home Loan Bank Notes	40,982,178	20,373,350	20,608,828	21.16
Federal Home Loan Mortgage Corporation Notes	20,434,817	8,462,958	11,971,859	10.55
Federal Farm Credit Bank Notes	8,990,010	0	8,990,010	4.64
Federal National Mortgage Association Notes	19,591,882	15,462,340	4,129,542	10.12
United States Treasury Notes	8,086,280	4,019,080	4,067,200	4.17
Fifth Third Institutional Money Market Fund	170,538	170,538	0	0.09
Allegiant Treasury Money Market Fund	1,642,784	1,642,784	0	0.85
First American Treasury Money Market Fund	32,173	32,173	0	0.02
Total Investments	\$193,664,662	\$143,897,223	\$49,767,439	100.00%

The overnight repurchase agreements, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal Farm Credit Bank Notes and Federal National Mortgage Association Notes carry a rating of AAA by Standard and Poor's and Aaa by Moody's Investors Service. The United States Treasury Notes carry a rating of AAA by Standard and Poor's and AAA by Moody's Investors Service. The Allegiant Treasury Money Market Fund carries a rating of AAAM-G by Standard and Poor's. The First American Treasury Money Market Fund and the Fifth Third Institutional Money Market Fund carry a rating of AAAM by Standard and Poor's and Aaa by Moody's Investors Service.

For an investment, custodial credit risk 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. All of the School District's investments are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirements of Ohio Revised Code Section 135.14(M)(2).

The School District places no limit on the amount that may be invested in any one issuer.

Note 4 – Receivables

Receivables at June 30, 2008, consisted of accounts (membership contributions) and CPB grants. All receivables are considered collectible in full due to the ability to collect all of the pledges from members based on historical trends and due to the stable condition of CPB grants. All receivables are expected to be collected within one fiscal year.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 5 – Capital Assets

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

	Balance 6/30/2007	Additions	Deletions	Balance 6/30/2008
Governmental Activities				
<i>Capital Assets, being depreciated:</i>				
Furniture and Fixtures	\$11,588	\$3,497	\$0	\$15,085
Office Equipment	16,416	1,269	0	17,685
Broadcasting Equipment	191,571	214,321	0	405,892
Vehicles	5,000	0	0	5,000
<i>Total Capital Assets, being depreciated</i>	<u>224,575</u>	<u>219,087</u>	<u>0</u>	<u>443,662</u>
Less Accumulated Depreciation:				
Furniture and Fixtures	(3,843)	(446)	0	(4,289)
Office Equipment	(10,223)	(1,531)	0	(11,754)
Broadcasting Equipment	(102,456)	(8,712)	0	(111,168)
Vehicles	(2,083)	(1,000)	0	(3,083)
Total Accumulated Depreciation	<u>(118,605)</u>	<u>(11,689)</u> *	<u>0</u>	<u>(130,294)</u>
 Governmental Activities Capital Assets, Net	<u>\$105,970</u>	<u>\$207,398</u>	<u>\$0</u>	<u>\$313,368</u>

* Depreciation expense was charged to governmental functions as follows:

Program Services:	
Programming and Production	\$9,886
Broadcasting	1,163
Public Information	581
Support Services:	
Management and General	41
Fundraising and Membership	18
Total Depreciation Expense	<u>\$11,689</u>

Note 6 - Risk Management

The Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School District contracted for property, inland marine, crime, general liability, equipment breakdown, educators legal liability and automobile coverage during fiscal year 2008. Coverage provided is as follows:

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Type of Coverage	Coverage Amount
Commercial Property (\$50,000 deductible)	
Building and Contents	\$615,601,701
Earthquake	5,000,000
Flood	5,000,000
Commercial Inland Marine (\$5,000 deductible)	250,000
Commercial Crime (\$5,000 deductible)	200,000
Equipment Breakdown (\$25,000 deductible)	100,000,000
Commercial General Liability (\$25,000 deductible)	
General Aggregate Limit	3,000,000
Each Occurrence Limit	2,000,000
Employers Liability (Ohio Stop Gap)	1,000,000
Educators Legal Liability (\$25,000 deductible)	2,000,000
Automobile (\$25,000 deductible)	
Liability	2,000,000
Uninsured/Underinsured Motorists	1,000,000

Settled claims have not exceeded commercial coverage in any of the past three fiscal years, and there has not been a significant reduction in coverage from the prior fiscal year.

The School District began participating in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan (the "Plan") for calendar year 2004. This Plan involves the payment of: (1) a minimum premium to cover safety and hygiene costs, surplus costs, premium payment security costs, and the costs of losses exceeding the per claim and the maximum premium limitations; (2) a premium based on covered claims for up to ten years; and, (3) a premium based on reserves for evaluated claims at the end of the tenth year.

Note 7 – Defined Benefit Pension Plan

A. Plan Description

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly-available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits and Medicare Part B benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for the Station's pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$15,647, \$15,671 and \$18,441, respectively; 67.06 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 8 - Postemployment Benefits Other Than Pension

A. Plan Description

In addition to a cost-sharing, multiple-employer defined benefit pension plan, SERS administers two postemployment benefit plans for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both plans are included in the SERS Comprehensive Annual Financial Report. That report may be obtained by writing to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

B. Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the SERS Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). For fiscal year 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2008 this amount was \$35,800.

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

The Station's contributions for health care for the fiscal years ended June 30, 2008, 2007 and 2006 were \$8,855, \$6,650 and \$7,840, respectively; 67.06 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The SERS Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2008, the actuarially required allocation was 0.66 percent of covered payroll. The Station's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007 and 2006 were \$1,127, \$1,066 and \$1,267, respectively; 67.06 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 9 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Employees working 52 weeks per year earn 1 day to 25 days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid upon termination of employment. Employees working less than 52 weeks per year do not earn vacation. Employees earn sick leave at the rate of one and one-fourth days per month or the equivalent in hours per month. Sick leave may be accumulated up to a maximum of 420 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation. Employees receive 1) two additional days for each year of perfect attendance commencing July 1, 1976 through June 30, 1981; and 2) one additional day for each year of perfect attendance commencing July 1, 1981.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Unimerica. Also, the School District offers medical/surgical, prescription, dental and vision insurance to its employees through several different providers.

Note 10 - Long-Term Obligations

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

Governmental Activities:	Outstanding			Outstanding	Amount
	6/30/2007	Additions	Reductions	6/30/2008	Due in
					One Year
Compensated Absences	\$28,767	\$8,361	(\$7,366)	\$29,762	\$8,361

Compensated absences will be paid from the general fund.

Note 11 - Contingencies

A. Grants

The Station received financial assistance from grantor agencies in the form of grants. The disbursements of funds received under these programs generally require 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, in the opinion of management, any disallowed claims will not have a material adverse effect on the overall financial position of the Station at June 30, 2008.

WAPS-FM Akron City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Litigation

The Station is not currently a party to any legal proceedings.



Mary Taylor, CPA

Auditor of State

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

WAPS-FM
Akron City School District
Summit County
65 Steiner Avenue
Akron, Ohio 44301

To the Board of Education:

We have audited the financial statements of the governmental activities and each major fund of WAPS-FM, Akron City School District, Summit County, Ohio, (the Station) as of and for the year ended June 30, 2008, which collectively comprise the Station's basic financial statements and have issued our report thereon dated November 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Station's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Station's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Station's internal control will not prevent or detect a material financial statement misstatement.

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

We noted a certain matter that we reported to the Station's management in a separate letter dated November 24, 2008.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

Compliance and Other Matters

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

We did note a certain noncompliance or other matter that we reported to the Station's management in a separate letter dated November 24, 2008.

We intend this report solely for the information and use of the Akron City School District Board of Education, management, Advisory Council, and the Corporation for Public Broadcasting. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 24, 2008



Mary Taylor, CPA
Auditor of State

WAPS-FM AKRON CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 24, 2008**