

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

BASIC FINANCIAL STATEMENTS

*FOR THE FISCAL YEAR ENDED
JUNE 30, 2008*

LEESA SMITH, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Wynford Local School District
3288 Holmes Center Road
Bucyrus, Ohio 44820

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 11, 2008

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**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

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Julian & Grube, Inc. *Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Wynford Local School District
3288 Holmes Center Road
Bucyrus, Ohio 44820-9462

We have audited the accompanying financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Wynford Local School District, Crawford County, Ohio, as of and for the fiscal year ended June 30, 2008, which collectively comprise Wynford Local School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wynford Local School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 the 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.

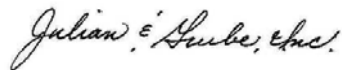
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of Wynford Local School District, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal 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 October 31, 2008, on our consideration of Wynford Local 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 and other matters. 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 an opinion 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.

The management's discussion and analysis is not a required part of the basic financial statements, but is 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.

Board of Education
Wynford Local School District
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wynford Local School District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Wynford Local School District. The schedule of receipts and expenditures of federal awards 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.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
October 31, 2008

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The management's discussion and analysis of the Wynford Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District'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 District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- In total, net assets of governmental activities decreased \$169,854 which represents a 3.58% decrease from 2007.
- General revenues accounted for \$9,053,353 in revenue or 82.63% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,903,658 or 17.37% of total revenues of \$10,957,011.
- The District had \$11,126,865 in expenses related to governmental activities; \$1,903,658 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$9,053,353 were not adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$9,570,532 in revenues and \$9,375,226 in expenditures and other financing uses. During fiscal year 2008, the general fund's fund balance increased \$195,306 from \$2,008,127 to \$2,203,433.

Using these Basic Financial Statements

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

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

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 13 and 14 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

Proprietary Funds

The District maintains one proprietary fund, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for medical/hospitalization, prescription drug and dental self-insurance program. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 23 and 24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-52 of this report.

The District as a Whole

Recall that the statement of net assets provides the perspective of the District as a whole. A comparative analysis has been provided.

The table below provides a summary of the District's net assets at June 30, 2008 and 2007.

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
<u>Assets</u>		
Current and other assets	\$ 6,667,182	\$ 6,974,622
Capital assets, net	<u>8,233,649</u>	<u>8,488,614</u>
Total assets	<u>14,900,831</u>	<u>15,463,236</u>
<u>Liabilities</u>		
Current liabilities	3,548,678	3,778,694
Long-term liabilities	<u>6,780,438</u>	<u>6,942,973</u>
Total liabilities	<u>10,329,116</u>	<u>10,721,667</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	2,050,585	2,113,587
Restricted	761,675	971,857
Unrestricted	<u>1,759,455</u>	<u>1,656,125</u>
Total net assets	<u>\$ 4,571,715</u>	<u>\$ 4,741,569</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$4,571,715. Of this total, \$1,759,455 is unrestricted in use.

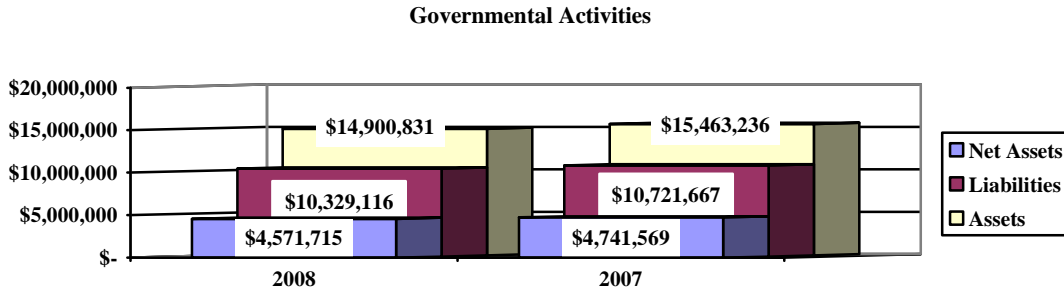
**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

At fiscal year-end, capital assets represented 55.26% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008, were \$2,050,585. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$761,675, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$1,759,455 may be used to meet the District's ongoing obligations to the students and creditors.

The graph below illustrates the District's assets, liabilities and net assets at June 30, 2008 and 2007.



The table below shows the change in net assets for fiscal years 2008 and 2007.

	Change in Net Assets	
	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 871,911	\$ 967,721
Operating grants and contributions	1,020,643	1,020,478
Capital grants and contributions	11,104	17,304
General revenues:		
Property taxes	3,742,355	4,171,394
Grants and entitlements	5,172,075	5,087,586
Investment earnings	112,293	88,901
Other	<u>26,630</u>	<u>11,731</u>
Total revenues	<u>10,957,011</u>	<u>11,365,115</u>

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Change in Net Assets	
	Governmental	Governmental
	Activities	Activities
	<u>2008</u>	<u>2007</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 4,456,883	\$ 4,405,945
Special	1,238,371	1,111,589
Vocational	3,639	6,456
Other	533,371	533,409
Support services:		
Pupil	862,942	848,893
Instructional staff	304,155	313,196
Board of education	7,953	3,388
Administration	648,841	632,437
Fiscal	327,042	318,180
Business	58,338	18,212
Operations and maintenance	733,140	667,950
Pupil transportation	736,618	690,664
Central	39,785	37,040
Operation of non-instructional services:		
Non-instructional services	2,375	935
Food service operations	526,982	489,000
Extracurricular activities	364,874	397,380
Interest and fiscal charges	<u>281,556</u>	<u>318,211</u>
Total expenses	<u>11,126,865</u>	<u>10,792,885</u>
Change in net assets	(169,854)	572,230
Net assets at beginning of year	<u>4,741,569</u>	<u>4,169,339</u>
Net assets at end of year	<u>\$ 4,571,715</u>	<u>\$ 4,741,569</u>

Governmental Activities

Net assets of the District's governmental activities decreased \$169,854. Total governmental expenses of \$11,126,865 were offset by program revenues of \$1,903,658 and general revenues of \$9,053,353. Program revenues supported 17.11% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 81.36% of total governmental revenue.

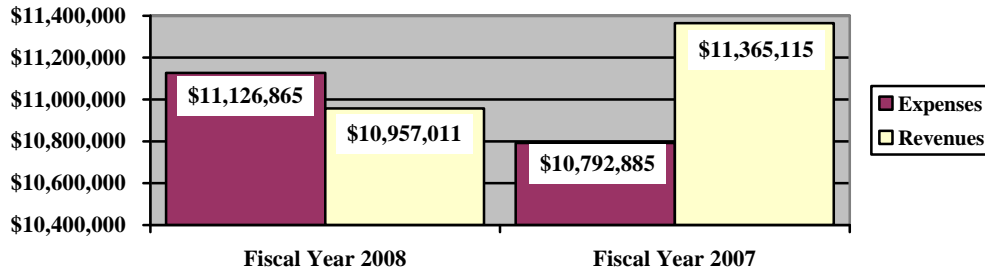
The largest expense of the District is for instructional programs. Instruction expenses totaled \$6,232,264 or 56.01% of total governmental expenses for fiscal year 2008.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2008 and 2007.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2008 and 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

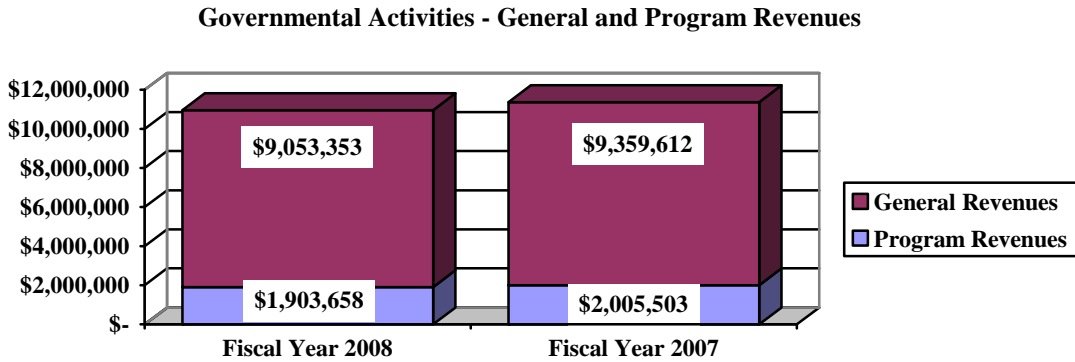
	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program expenses				
Instruction:				
Regular	\$ 4,456,883	\$ 3,911,386	\$ 4,405,945	\$ 3,777,010
Special	1,238,371	497,553	1,111,589	370,436
Vocational	3,639	(2,581)	6,456	2,533
Other	533,371	526,009	533,409	525,006
Support services:				
Pupil	862,942	858,587	848,893	842,007
Instructional staff	304,155	295,484	313,196	303,817
Board of education	7,953	7,953	3,388	3,388
Administration	648,841	644,983	632,437	630,271
Fiscal	327,042	327,042	318,180	318,180
Business	58,338	58,338	18,212	18,212
Operations and maintenance	733,140	733,140	667,950	667,950
Pupil transportation	736,618	724,189	690,664	673,045
Central	39,785	33,785	37,040	31,040
Operation of non-instructional services				
Other non-instructional services	2,375	2,375	935	935
Food service operations	526,982	90,297	489,000	39,551
Extracurricular activities	364,874	233,111	397,380	265,790
Interest and fiscal charges	281,556	281,556	318,211	318,211
Total expenses	<u>\$ 11,126,865</u>	<u>\$ 9,223,207</u>	<u>\$ 10,792,885</u>	<u>\$ 8,787,382</u>

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The dependence upon tax and other general revenues for governmental activities is apparent, 79.14% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 82.89%. The District's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2008 and 2007.



The District's Funds

The District's governmental funds reported a combined fund balance of \$2,804,403, which is lower than last year's total of \$2,946,872. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	<u>Fund Balance</u> <u>June 30, 2008</u>	<u>Fund Balance</u> <u>June 30, 2007</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
General	\$ 2,203,433	\$ 2,008,127	\$ 195,306	9.73 %
Other Governmental	<u>600,970</u>	<u>938,745</u>	<u>(337,775)</u>	(35.98) %
Total	<u>\$ 2,804,403</u>	<u>\$ 2,946,872</u>	<u>\$ (142,469)</u>	(4.83) %

General Fund

The District's general fund balance increased \$195,306 primarily due to an increase in investment earnings and intergovernmental revenues received from the State of Ohio. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 3,459,077	\$ 3,953,234	\$ (494,157)	(12.50) %
Tuition	424,301	503,879	(79,578)	(15.79) %
Transportation fees	22,595	21,274	1,321	6.21 %
Earnings on investments	112,081	88,713	23,368	26.34 %
Classroom materials and fees	55,151	56,593	(1,442)	(2.55) %
Intergovernmental	5,470,697	5,402,587	68,110	1.26 %
Other revenues	<u>26,630</u>	<u>12,681</u>	<u>13,949</u>	110.00 %
 Total	 <u>\$ 9,570,532</u>	 <u>\$ 10,038,961</u>	 <u>\$ (468,429)</u>	 (4.67) %
<u>Expenditures</u>				
Instruction	\$ 5,604,370	\$ 5,305,465	\$ 298,905	5.63 %
Support services	3,500,308	3,394,444	105,864	3.12 %
Non-instructional services	2,375	935	1,440	154.01 %
Extracurricular activities	210,725	205,719	5,006	2.43 %
Debt service	<u>10,756</u>	<u>11,710</u>	<u>(954)</u>	(8.15) %
 Total	 <u>\$ 9,328,534</u>	 <u>\$ 8,918,273</u>	 <u>\$ 410,261</u>	 4.60 %

Revenues of the general fund decreased \$468,429 or 4.67%. The most significant decreases were in the areas of taxes and tuition. Tax revenue decreased \$494,157 or 12.50%. This decrease was primarily attributable to two reasons. First, there was an approximate \$65,000 variance in the amount of tax advance that was available to the District from the county auditors at June 30, 2008 versus June 30, 2007. This variance resulted in less tax revenue being reported in fiscal year 2008. The amount of tax advances available from the county auditors can vary depending upon when tax bills are mailed. Secondly, tax revenue decreased due to the phase out of tangible personal property tax revenue. Tuition revenue decreased \$79,578 or 15.79%. This decrease was primarily attributable to an approximate \$85,000 decrease in the amount of open enrollment receipts at June 30, 2008 versus June 30, 2007.

Expenditures of the general fund increased \$410,261 or 4.60%. The most significant increases were in the areas of instructional and support services. These increases are primarily attributable to anticipated salary/wage increases.

General Fund Budgeting Highlights

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

During the course of fiscal year 2008, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$10,044,522 and final budgeted revenues and other financing sources were \$9,733,380. Actual revenues and other financing sources for fiscal year 2008 was \$9,666,246. This represents a \$67,134 decrease under final budgeted revenues. The decrease is primarily due to a decrease in tax revenue and homestead and rollbacks estimated by the county.

General fund original appropriations (appropriated expenditures including other financing uses) totaled \$9,607,374 and final appropriations totaled \$9,786,609. The actual budget basis expenditures for fiscal year 2008 totaled \$9,526,689, which was \$259,920 less than the final budgeted amounts.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the District had \$8,233,649 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal year 2008 balances compared to 2007 balances:

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

	Governmental Activities	
	2008	2007
Land	\$ 230,237	\$ 230,237
Land improvements	278,988	267,152
Building and improvements	6,996,615	7,193,198
Furniture and equipment	507,131	529,181
Vehicles	220,678	268,846
Total	\$ 8,233,649	\$ 8,488,614

The overall decrease in capital assets of \$254,965 is due to depreciation expense of \$343,638 exceeding capital outlays of \$124,044 in the fiscal year. In addition, the District had disposals of \$35,371, net of accumulated depreciation.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2008, the District had \$3,365,000 in series 1999 general obligation bonds, \$2,680,000 in current interest bonds, \$119,995 in capital appreciation bonds, \$4,553 in accreted interest, and \$15,945 in capital lease obligations. Of this total, \$245,000 is due within one year and \$5,940,493 is due in more than one year. The following table summarizes the bonds and loans outstanding.

Outstanding Debt, at Year End

	Activities 2008	Activities 2007
General obligation bonds - series 1999	\$ 3,365,000	\$ 6,350,000
Refunding bonds - series 2008		
Current interest bonds	2,680,000	-
Capital appreciation bonds	119,995	-
Accreted interest	4,553	-
Capital lease obligation	15,945	25,027
Total	\$ 6,185,493	\$ 6,375,027

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

At June 30, 2008, the District's overall legal debt margin was \$4,201,449 and an unvoted debt margin of \$112,717. See Note 10 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

Consistent with many school districts in Ohio, the District is forced to face the difficult challenges of maintaining the highest standards of service to the students and the community, while striving to remain financially solvent. The lack of a resolve by the Governor to the Supreme Court of Ohio's rulings regarding the State's funding of schools continues to create a hardship in the District's budget.

The District's five year forecast shows revenues outpacing expenditures at the end of fiscal year 2009 through fiscal year 2012. Although the current forecast displays expenditures over revenues in fiscal year 2013, the District will continue to closely monitor the results of moving to a self-insured Health Savings Account plan for its medical and prescription insurance, estimating that the generated savings from this change and careful spending will eliminate the negative margin in that year. In addition the passage of a 3.3 mill emergency levy renewal and the 6.9 operating levy renewal in May, 2009, is essential to continuing the positive carryover balances forecasted in fiscal year 2010 and future years. The Board will continue to monitor the projections included in the five year forecast and make decisions accordingly, including attempting to identify additional cost savings.

The District continues to face many challenges in the future and stabilizing the District's finances is critical to continuing its academic excellence. The District's community takes pride in its schools and values the education its students receive. The Board, along with the Administration and Staff, is committed to working with the community in order to maintain their support and to continue operating a safe, effective, and efficient school system.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Leesa Smith, Treasurer, Wynford Local School District, 3288 Holmes Center Road, Bucyrus, Ohio 44820-9462.

**BASIC
FINANCIAL STATEMENTS**

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 2,717,752
Investments	47,157
Receivables:	
Taxes	3,732,754
Accounts	688
Intergovernmental	68,622
Prepayments	11,194
Materials and supplies inventory	8,227
Unamortized bond issue costs	80,788
Capital assets:	
Land	230,237
Depreciable capital assets, net	8,003,412
Capital assets, net	8,233,649
Total assets.	14,900,831
Liabilities:	
Accounts payable.	31,296
Accrued wages and benefits	787,822
Pension obligation payable.	195,989
Intergovernmental payable	56,520
Accrued interest payable	22,052
Claims payable	177,804
Unearned revenue.	2,277,195
Long-term liabilities:	
Due within one year.	331,988
Due in more than one year	6,448,450
Total liabilities	10,329,116
Net Assets:	
Invested in capital assets, net of related debt.	2,050,585
Restricted for:	
Capital projects	432,053
Debt service.	217,789
State funded programs	2,670
Student activities.	58,898
Public school support	20,353
Other purposes	29,912
Unrestricted.	1,759,455
Total net assets	\$ 4,571,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 4,456,883	\$ 490,285	\$ 55,212	\$ -	\$ (3,911,386)
Special	1,238,371	11,762	729,056	-	(497,553)
Vocational	3,639	-	6,220	-	2,581
Other	533,371	-	7,362	-	(526,009)
Support services:					
Pupil.	862,942	-	4,355	-	(858,587)
Instructional staff.	304,155	-	8,671	-	(295,484)
Board of education	7,953	-	-	-	(7,953)
Administration.	648,841	-	3,858	-	(644,983)
Fiscal.	327,042	-	-	-	(327,042)
Business.	58,338	-	-	-	(58,338)
Operations and maintenance	733,140	-	-	-	(733,140)
Pupil transportation.	736,618	-	1,325	11,104	(724,189)
Central	39,785	-	6,000	-	(33,785)
Operation of non-instructional services:					
Non-instructional services.	2,375	-	-	-	(2,375)
Food service operations	526,982	271,261	165,424	-	(90,297)
Extracurricular activities.	364,874	98,603	33,160	-	(233,111)
Interest and fiscal charges	281,556	-	-	-	(281,556)
Total governmental activities	<u>\$ 11,126,865</u>	<u>\$ 871,911</u>	<u>\$ 1,020,643</u>	<u>\$ 11,104</u>	<u>(9,223,207)</u>

General Revenues:

Property taxes levied for:	
General purposes	3,442,277
Debt service.	300,078
Grants and entitlements not restricted	
to specific programs.	5,172,075
Investment earnings	112,293
Miscellaneous	26,630
Total general revenues.	<u>9,053,353</u>
Change in net assets	(169,854)
Net assets at beginning of year	<u>4,741,569</u>
Net assets at end of year	<u>\$ 4,571,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,891,684	\$ 601,995	\$ 2,493,679
Investments	-	47,157	47,157
Receivables:			
Taxes.	3,423,457	309,297	3,732,754
Accounts	688	-	688
Intergovernmental	54,741	13,881	68,622
Interfund receivable	27,569	-	27,569
Prepayments	11,089	105	11,194
Materials and supplies inventory	-	8,227	8,227
Restricted assets:			
Equity in pooled cash and cash equivalents	29,912	-	29,912
Total assets	\$ 5,439,140	\$ 980,662	\$ 6,419,802
Liabilities:			
Accounts payable	\$ 11,050	\$ 20,246	\$ 31,296
Accrued wages and benefits	694,052	93,770	787,822
Compensated absences payable	21,689	-	21,689
Pension obligation payable.	170,558	25,431	195,989
Intergovernmental payable.	54,905	1,615	56,520
Interfund payable.	-	27,569	27,569
Deferred revenue.	190,049	27,270	217,319
Unearned revenue.	2,093,404	183,791	2,277,195
Total liabilities	3,235,707	379,692	3,615,399
Fund Balances:			
Reserved for encumbrances	113,414	22,680	136,094
Reserved for debt service	-	114,335	114,335
Reserved for materials and supplies inventory.	-	8,227	8,227
Reserved for prepayments	11,089	105	11,194
Reserved for property tax unavailable for appropriation	1,171,285	112,117	1,283,402
Reserved for school bus purchases.	29,912	-	29,912
Unreserved, undesignated (deficit) reported in:			
General fund	877,733	-	877,733
Special revenue funds.	-	(84,397)	(84,397)
Capital projects funds.	-	427,903	427,903
Total fund balances	2,203,433	600,970	2,804,403
Total liabilities and fund balances	\$ 5,439,140	\$ 980,662	\$ 6,419,802

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

Total governmental fund balances		\$	2,804,403
<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.			8,233,649
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	172,157	
Intergovernmental		45,162	
Total			217,319
An internal service funds is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.			16,357
Unamortized premiums on bond issuances are not recognized in the funds.			(269,277)
Unamortized bond issuance costs are not recognized in the funds.			80,788
Unamortized deferred amounts on refundings are not recognized in the funds.			186,360
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.			(22,052)
Long-term liabilities, including bonds and lease obligations payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(490,339)	
General obligation bonds payable		(6,169,548)	
Capital lease obligation payable		(15,945)	
Total			(6,675,832)
Net assets of governmental activities		\$	4,571,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 3,459,077	\$ 297,848	\$ 3,756,925
Tuition	424,301	-	424,301
Charges for services.	-	271,261	271,261
Transportation fees	22,595	-	22,595
Earnings on investments.	112,081	2,048	114,129
Classroom materials and fees	55,151	-	55,151
Extracurricular.	-	98,603	98,603
Other local revenues.	26,630	35,861	62,491
Intergovernmental - State	5,470,697	76,581	5,547,278
Intergovernmental - Federal.	-	573,473	573,473
Total revenues.	<u>9,570,532</u>	<u>1,355,675</u>	<u>10,926,207</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,330,926	66,740	4,397,666
Special	745,597	462,767	1,208,364
Vocational	3,529	-	3,529
Other.	524,318	8,355	532,673
Support services:			
Pupil.	866,264	6,980	873,244
Instructional staff	274,807	15,906	290,713
Board of education	7,898	-	7,898
Administration.	602,027	4,942	606,969
Fiscal	313,132	7,478	320,610
Business	58,338	-	58,338
Operations and maintenance	662,538	1,935	664,473
Pupil transportation	681,519	-	681,519
Central.	33,785	6,000	39,785
Operation of non-instructional services:			
Other non-instructional services.	2,375	-	2,375
Food service operations	-	499,003	499,003
Extracurricular activities	210,725	134,968	345,693
Facilities acquisition and construction	-	69,995	69,995
Debt service:			
Principal retirement	9,082	185,000	194,082
Interest and fiscal charges	1,674	270,073	271,747
Bond issuance costs	-	82,753	82,753
Total expenditures	<u>9,328,534</u>	<u>1,822,895</u>	<u>11,151,429</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>241,998</u>	<u>(467,220)</u>	<u>(225,222)</u>
Other financing sources (uses):			
Transfers in	-	46,692	46,692
Transfers (out)	(46,692)	-	(46,692)
Sale of refunding bonds	-	2,799,995	2,799,995
Premium on refunding bonds sold	-	275,827	275,827
Payment to refunded bond escrow agent	-	(2,993,069)	(2,993,069)
Total other financing sources (uses)	<u>(46,692)</u>	<u>129,445</u>	<u>82,753</u>
Net change in fund balances	195,306	(337,775)	(142,469)
Fund balances at beginning of year.	<u>2,008,127</u>	<u>938,745</u>	<u>2,946,872</u>
Fund balances at end of year.	<u>\$ 2,203,433</u>	<u>\$ 600,970</u>	<u>\$ 2,804,403</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds		\$ (142,469)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital asset additions	\$ 124,044	
Current year depreciation	(343,638)	
Total		(219,594)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(35,371)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(14,570)	
Intergovernmental	45,162	
Total		30,592
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement net assets.		
		194,082
Issuance of refunding bonds is recorded as an other financing source in the funds; however, in the statement of activities, it is not reported as revenues as it increases liabilities on the statement of net assets.		
		(2,799,995)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net assets. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred in the fiscal year:		
Bonds refunded	2,800,000	
Deferred charges on refundings	193,069	
Total		2,993,069
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:		
Increase in accrued interest payable	(3,132)	
Accretion of interest on "capital appreciation" bonds	(4,553)	
Amortization of bond premium	6,550	
Amortization of deferred charges on refundings	(6,709)	
Amortization of bond issue costs	(1,965)	
Total		(9,809)
Premiums on debt issuances are recognized as an other financing source in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		(275,827)
Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		82,753
Some expenses reported in the statement of activities, including compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
		36,136
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated amount the governmental activities.		
		(23,421)
Change in net assets of governmental activities		<u>\$ (169,854)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 3,747,245	\$ 3,631,169	\$ 3,542,208	\$ (88,961)
Tuition.	438,111	424,540	424,301	(239)
Transportation fees.	20,639	20,000	22,595	2,595
Earnings on investments.	121,211	117,456	112,081	(5,375)
Classroom materials and fees	55,520	53,800	55,329	1,529
Other local revenues	29,553	28,638	26,289	(2,349)
Intergovernmental - State	5,616,232	5,442,262	5,447,238	4,976
Total revenues	<u>10,028,511</u>	<u>9,717,865</u>	<u>9,630,041</u>	<u>(87,824)</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,354,873	4,436,118	4,318,300	117,818
Special.	818,298	833,564	811,426	22,138
Vocational.	3,559	3,625	3,529	96
Other.	532,882	542,824	528,407	14,417
Support services:				
Pupil.	889,693	906,291	882,221	24,070
Instructional staff	274,917	280,046	272,608	7,438
Board of education	7,965	8,113	7,898	215
Administration.	630,090	641,845	624,798	17,047
Fiscal	317,987	323,919	315,316	8,603
Business	58,832	59,930	58,338	1,592
Operations and maintenance.	678,750	691,413	673,050	18,363
Pupil transportation	691,647	704,550	685,838	18,712
Central.	34,071	34,707	33,785	922
Operation of non-instructional services:				
Other non-instructional services	2,396	2,441	2,376	65
Extracurricular activities.	212,635	216,602	210,849	5,753
Facilities acquisition and construction.	3,025	3,082	3,000	82
Total expenditures	<u>9,511,620</u>	<u>9,689,068</u>	<u>9,431,739</u>	<u>257,329</u>
Excess of revenues over expenditures	<u>516,891</u>	<u>28,797</u>	<u>198,302</u>	<u>169,505</u>
Other financing sources (uses):				
Transfers (out)	(47,087)	(47,966)	(46,692)	1,274
Advances in.	16,011	15,515	36,205	20,690
Advances (out)	(48,667)	(49,575)	(48,258)	1,317
Total other financing sources (uses)	<u>(79,743)</u>	<u>(82,026)</u>	<u>(58,745)</u>	<u>23,281</u>
Net change in fund balance	437,148	(53,229)	139,557	192,786
Fund balance at beginning of year.	1,451,622	1,451,622	1,451,622	-
Prior year encumbrances appropriated	167,117	167,117	167,117	-
Fund balance at end of year	<u>\$ 2,055,887</u>	<u>\$ 1,565,510</u>	<u>\$ 1,758,296</u>	<u>\$ 192,786</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 194,161
Total assets.	<u>194,161</u>
Liabilities:	
Claims payable	<u>177,804</u>
Total current liabilities	<u>177,804</u>
Total liabilities	<u>177,804</u>
Net assets:	
Unrestricted.	<u>16,357</u>
Total net assets	<u><u>\$ 16,357</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 1,219,300
Total operating revenues	<u>1,219,300</u>
Operating expenses:	
Purchased services	221,210
Claims expense	1,021,723
Total operating expenses	<u>1,242,933</u>
Operating loss.	<u>(23,633)</u>
Nonoperating revenues:	
Interest revenue.	212
Total nonoperating revenues	<u>212</u>
Change in net assets.	(23,421)
Net assets at beginning of year	<u>39,778</u>
Net assets at end of year	<u>\$ 16,357</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 1,219,689
Cash payments for purchased services	(221,210)
Cash payments for claims.	(1,074,819)
Net cash used in operating activities	(76,340)
Cash flows from investing activities:	
Interest received	212
Net cash provided by investing activities	212
Net decrease in cash and cash equivalents	(76,128)
Cash and cash equivalents at beginning of year. . .	270,289
Cash and cash equivalents at end of year	\$ 194,161
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss.	\$ (23,633)
Changes in assets and liabilities:	
Decrease in accounts receivable.	389
Decrease in claims payable	(53,096)
Net cash used in operating activities	\$ (76,340)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 2,332	\$ 60,400
Prepayments	<u>-</u>	<u>100</u>
Total assets.	<u>2,332</u>	<u>\$ 60,500</u>
Liabilities:		
Accounts payable.	-	\$ 5,467
Due to students	<u>-</u>	<u>55,033</u>
Total liabilities	<u>-</u>	<u>\$ 60,500</u>
Net Assets:		
Held in trust for scholarships	<u>2,332</u>	
Total net assets	<u>\$ 2,332</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Private-Purpose Trust
	Scholarship
Additions:	
Gifts and contributions.	\$ 1,400
Total additions.	1,400
Deductions:	
Scholarships awarded	1,399
Total deductions	1,399
Change in net assets	1
Net assets at beginning of year.	2,331
Net assets at end of year	\$ 2,332

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Wynford Local School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio to provide educational services to students and other community members of the District. Under such laws, there is no authority for a School District to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms by the citizens of the District.

The District serves an area of approximately 327 square miles in Crawford County, and includes portions of the City of Bucyrus, the Village of Nevada and portions of surrounding townships.

The District is the 460th largest by enrollment among 896 public and community schools in the State and 3rd largest in Crawford County. It currently operates two instructional buildings and a bus garage. The District is staffed by 86 certified and 53 non-certified employees to provide services to approximately 1,102 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of this criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

JOINTLY GOVERNED ORGANIZATIONS

Pioneer Career and Technology Center (PCTC)

The PCTC is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer of the Pioneer Career and Technology Center at 27 Ryan Road, Shelby, OH 44875.

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2008, the District paid \$37,073 to the COG for various services. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the "GRP") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; (b) for grants and other resources whose use is restricted to a particular purpose; (c) the accumulation of resources for the repayment of general obligation debt; and (d) food service operations.

PROPRIETARY FUND

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical/surgical and dental benefits to employees.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for sales and services. Operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

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. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from 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: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except agency funds). The specific timetable for fiscal year 2008 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

2. By no later than January 20, the board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination. Crawford County has waived this requirement for fiscal 2008.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final Certificates of Estimated Resources issued for fiscal year 2008.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original, appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2008. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at fiscal year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

**WYNFORD LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

During fiscal year 2008, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2008.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or by policy of the Board of Education. Investment earnings are assigned to the general fund and nonmajor governmental funds. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$112,081 which includes \$40,592 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

G. Inventory

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

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

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,500. 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. The District does not possess infrastructure.

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	15 - 50 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column on the statement of net assets.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2008, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service; or 20 years’ service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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 expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

K. Accrued Liabilities and Long-Term Obligations

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

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

On the government-wide financial statements, bond premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, materials and supplies inventory, prepayments, debt service, school bus purchases and property tax revenue unavailable for appropriation. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under State statute.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes includes amounts restricted by State statute for school bus purchases.

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

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

O. Estimates

The preparation of the basic financial statements in conformity with GAAP 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.

P. Unamortized Bond Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as an addition to or reduction of the face amount of the new debt. On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

Q. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set-aside to establish a bus purchase reserve. This reserve is required by State statute. A schedule of statutory reserves is presented in Note 16.

R. Interfund Activity

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2008.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 - ACCOUNTABILITY & COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2008 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Funds</u>	
Food Service	\$ 40,645
EMIS	187
Miscellaneous State Grants	21
Title VI-B	60,451
Title I	25,028
Title VI	2,464
Drug Free School	10
Classroom Reduction	10,091
Miscellaneous Federal Grants	931

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances in the EMIS, miscellaneous State grants, and drug free school funds resulted from adjustments for accrued liabilities.

The deficit fund balances in the food service, Title VI-B, Title I, Title VI, classroom reduction, and miscellaneous federal grants funds resulted from both the reporting of short-term interfund loans as a fund liability rather than as an other financing source and adjustments for accrued liabilities.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Cash on Hand

At year-end, the District had \$3,825 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents."

B. Deposits with Financial Institutions

At June 30, 2008, the carrying amount of all District deposits was \$2,501,494. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$2,347,336 of the District's bank balance of \$2,572,920 was exposed to custodial risk as discussed below, while \$225,584 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

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

<u>Investment type</u>	<u>Fair Value</u>	Investment Maturities 6 months or <u>less</u>
STAR Ohio	<u>\$ 322,322</u>	<u>\$ 322,322</u>

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
STAR Ohio	\$ <u>322,322</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2008:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 2,501,494
Investments	322,322
Cash on hand	<u>3,825</u>
Total	<u>\$ 2,827,641</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 2,764,909
Private-purpose trust fund	2,332
Agency fund	<u>60,400</u>
Total	<u>\$ 2,827,641</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2008 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 27,569

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

**WYNFORD LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B.** Interfund transfers for the year ended June 30, 2008, consisted of the following, as reported on the fund financial statements:

Transfers to Nonmajor Governmental funds from:	
General Fund	<u>\$ 46,692</u>
 Total Transfers	 <u>\$ 46,692</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes.

Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

**WYNFORD LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.5% for property including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Crawford County and Wyandot County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

The amount available as an advance at June 30, 2008 was \$1,171,285 in the general fund and \$112,117 in the debt service fund (a nonmajor governmental fund). This amount has been recorded as revenue. The amount that was available as an advance at June 30, 2007 was \$1,236,458 in the general fund and \$88,209 in the debt service fund (a nonmajor governmental fund).

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

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 106,669,370	88.22	\$ 111,134,859	91.69
Public utility personal	6,619,420	5.47	6,290,920	5.19
Tangible personal property	<u>7,623,960</u>	<u>6.31</u>	<u>3,777,100</u>	<u>3.12</u>
Total	<u>\$ 120,912,750</u>	<u>100.00%</u>	<u>\$ 121,202,879</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$54.02		\$54.54	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities:

Taxes	\$ 3,732,754
Accounts	688
Intergovernmental	<u>68,622</u>
Total	<u>\$ 3,802,064</u>

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

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 8 - CAPITAL ASSETS

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

	Balance			Balance
	<u>06/30/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/08</u>
Governmental Activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 230,237	\$ -	\$ -	\$ 230,237
Total capital assets, not being depreciated	<u>230,237</u>	<u>-</u>	<u>-</u>	<u>230,237</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	407,489	69,995	(65,750)	411,734
Buildings and improvements	10,362,138	-	-	10,362,138
Furniture and equipment	1,151,314	54,049	(20,317)	1,185,046
Vehicles	971,378	-	-	971,378
Total capital assets, being depreciated	<u>12,892,319</u>	<u>124,044</u>	<u>(86,067)</u>	<u>12,930,296</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(140,337)	(25,219)	32,810	(132,746)
Buildings and improvements	(3,168,940)	(196,583)	-	(3,365,523)
Furniture and equipment	(622,133)	(73,668)	17,886	(677,915)
Vehicles	(702,532)	(48,168)	-	(750,700)
Total accumulated depreciation	<u>(4,633,942)</u>	<u>(343,638)</u>	<u>50,696</u>	<u>(4,926,884)</u>
Governmental activities capital assets, net	<u>\$ 8,488,614</u>	<u>\$ (219,594)</u>	<u>\$ (35,371)</u>	<u>\$ 8,233,649</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 135,931
Special	22,116
Vocational	110
Other	698

Support Services:

Pupil	8,351
Instructional staff	12,293
Board of Education	55
Administration	25,625
Fiscal	4,057
Operations and maintenance	37,576
Pupil transportation	51,100
Extracurricular activities	19,032
Food service operations	<u>26,694</u>
Total depreciation expense	<u>\$ 343,638</u>

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

During prior years, the District entered into a capitalized lease for copier equipment. This lease agreement met the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of equipment have been capitalized in the amount of \$44,203. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2008 totaled \$9,082 paid by the general fund. Accumulated depreciation as of June 30, 2008 was \$30,943 leaving a current book value of \$13,260.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2008.

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2009	\$ 10,755
2010	6,274
Total minimum lease payments	17,029
Less: amount representing interest	(1,084)
Total	\$ 15,945

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2008, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/07</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>06/30/08</u>	Amounts Due in <u>One Year</u>
Governmental Activities:					
General obligation bonds - Series 1999	\$ 6,350,000	\$ -	\$ (2,985,000)	\$ 3,365,000	\$ 200,000
Refunding bonds - Series 2008					
Current interest bonds	-	2,680,000	-	2,680,000	45,000
Capital appreciation bonds	-	119,995	-	119,995	-
Accreted interest	-	4,553	-	4,553	-
Total G.O. Bonds	<u>6,350,000</u>	<u>2,804,548</u>	<u>(2,985,000)</u>	<u>6,169,548</u>	<u>245,000</u>
Compensated absences	567,946	65,764	(121,682)	512,028	77,153
Capital lease obligation	<u>25,027</u>	<u>-</u>	<u>(9,082)</u>	<u>15,945</u>	<u>9,835</u>
Total	<u>\$ 6,942,973</u>	<u>\$ 2,870,312</u>	<u>\$ (3,115,764)</u>	<u>6,697,521</u>	<u>\$ 331,988</u>
Add: Unamortized premium on refunding				269,277	
Less: Unamortized deferred charge on refunding				<u>(186,360)</u>	
Total on statement of net assets				<u>\$ 6,780,438</u>	

Compensated Absences: Compensated absences will be paid from the fund from which the employee's salaries are paid which, for the District is primarily the general fund, food service fund (a nonmajor governmental fund) and the Title I fund (a nonmajor governmental fund).

Capital Lease Obligation: The capital lease obligation will be paid from the general fund. See Note 9 for details.

General Obligation Bonds Payable - Series 1999: On January 16, 1999, the District issued \$7,263,000 in general obligation bonds. The proceeds of these bonds were used to provide long-term financing of the District's building projects. These bonds bear an annual interest rate of 3.3% to 5.5% and were scheduled to mature in fiscal year 2024. These general obligation bonds were issued to provide funds for the acquisition and construction of equipment and facilities and to pay judgments against the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for on the statement of net assets. A portion of the Series 1999 general obligation bonds was refunded during fiscal year 2008 in the amount of \$2,800,000. The remaining balance of the Series 1999 general obligation bonds matures December 1, 2018. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund (a nonmajor governmental fund).

Series 2008 Refunding General Obligation Bonds: On February 14, 2008, the District issued general obligation bonds (Series 2008 Refunding Bonds) to advance refund the callable portion of the Series 1999 general obligation bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded Series 1999 current interest bonds at June 30, 2008, is \$2,800,000.

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of both current interest bonds, par value \$2,680,000, and capital appreciation bonds par value \$119,995. The interest rates on the current interest bonds range from 3.75% - 4.00%. The capital appreciation bonds mature on December 1, 2019 (effective interest rate 12.824%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2019 is \$520,000. Total accreted interest of \$4,553 has been included on the statement of net assets at June 30, 2008.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2023. Payments of principal and interest are recorded as expenditures of the debt service fund (a nonmajor governmental fund).

The reacquisition price exceeded the net carrying amount of the old debt by \$193,069. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 15 years by \$117,363 and resulted in an economic gain of \$92,432.

- B.** The following is a summary of the District's future annual debt service requirements to maturity for general obligation debt:

Year Ending June 30	General Obligation Bonds - Series 1999		
	Principal	Interest	Total
2009	\$ 200,000	\$ 164,474	\$ 364,474
2010	210,000	155,760	365,760
2011	235,000	146,252	381,252
2012	255,000	135,712	390,712
2013	270,000	124,157	394,157
2014 - 2018	1,755,000	378,235	2,133,235
2019	<u>440,000</u>	<u>12,210</u>	<u>452,210</u>
Total	<u>\$ 3,365,000</u>	<u>\$ 1,116,800</u>	<u>\$ 4,481,800</u>

Year Ending June 30	Current Interest Refunding Bonds - Series 2008			Capital Appreciation Refunding Bonds - Series 2008		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 45,000	\$ 104,316	\$ 149,316	\$ -	\$ -	\$ -
2010	25,000	103,134	128,134	-	-	-
2011	25,000	102,290	127,290	-	-	-
2012	25,000	101,447	126,447	-	-	-
2013	30,000	100,518	130,518	-	-	-
2014 - 2018	155,000	487,322	642,322	-	-	-
2019 - 2023	1,735,000	369,596	2,104,596	119,995	400,005	520,000
2024	<u>640,000</u>	<u>12,800</u>	<u>652,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,680,000</u>	<u>\$ 1,381,423</u>	<u>\$ 4,061,423</u>	<u>\$ 119,995</u>	<u>\$ 400,005</u>	<u>\$ 520,000</u>

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$4,201,449 (including available funds of \$226,452) and an unvoted debt margin of \$112,717.

NOTE 11 - RISK MANAGEMENT

A. Property, Fleet, and Liability Insurance

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2008, the District contracted with various insurance companies for property and fleet insurance, liability insurance and inland marine coverage. Coverage provided by these insurance companies is as follows:

<u>Type of Coverage</u>	<u>Liability Limit</u>
Building and contents - replacement cost (\$2,500 deductible)	\$31,194,612
Boiler and machinery (\$2,500 deductible)	31,194,612
Mobile radio, computer, audio visual & music equipment (\$100 deductible)	31,194,612
Automobile liability (\$500 deductible)	1,000,000
Uninsured motorists	1,000,000
General liability:	
Per occurrence	1,000,000
Per year	2,000,000
Umbrella policy	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**WYNFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Medical/Hospitalization, Prescription Drug and Dental Insurance

The District provides employee medical/hospitalization, prescription drug, and dental benefits through a self-insured program. The District maintains a self-insurance internal service fund to account for and finance this program. The claims liability reported in the internal service fund at June 30, 2008, in the amount of \$177,804, is based on an estimate provided by S&S Healthcare Strategies, Ltd. (the third party administrator) and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling claims. Change in claims activity for the past two fiscal years is as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2008	\$ 230,900	\$ 1,021,723	\$ (1,074,819)	\$ 177,804
2007	106,497	1,032,208	(907,805)	230,900

C. Employee Group Life Insurance

The District offers group life insurance and accidental death and dismemberment insurance to all employees through Jefferson Pilot Financial Insurance Company. The employees share a portion of the cost of the monthly premium with the Board. Regardless of the plan utilized by the employees, all group benefit plans are traditionally funded, and the District does not retain any risk of loss.

D. Workers' Compensation Plan

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP.

The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**WYNFORD LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$93,688, \$101,106 and \$95,532, respectively; 46.53 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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

**WYNFORD LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - PENSION PLANS - (Continued)

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$552,241, \$547,467 and \$535,023, respectively; 83.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$2,996 made by the District and \$2,890 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

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

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

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

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$62,542, \$53,095 and \$52,508, respectively; 46.53 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$6,750, \$6,875 and \$7,604, respectively; 46.53 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$42,480, \$42,113 and \$41,156, respectively; 83.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance	<u>General Fund</u>
Budget basis	\$ 139,557
Net adjustment for revenue accruals	(59,509)
Net adjustment for expenditure accruals	(60,095)
Net adjustment for other sources/uses	12,053
Adjustment for encumbrances	<u>163,300</u>
GAAP basis	<u>\$ 195,306</u>

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 16 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2007	\$ (100,548)	\$ (6,368,522)
Current year set-aside requirement	177,189	177,189
Qualifying disbursements	<u>(255,095)</u>	<u>(51,391)</u>
 Total	 <u>\$ (178,454)</u>	 <u>\$ (6,242,724)</u>
 Balance carried forward to FY 2009	 <u>\$ (178,454)</u>	 <u>\$ (6,242,724)</u>

The capital acquisition reserve had debt related offsets in prior years that have been carried forward to future years. These extra amounts may be used to reduce set-aside requirements for future years. The excess textbook/instructional materials expenditures may also be carried forward to reduce set-aside requirements for future years.

In addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

A schedule of the restricted assets at June 30, 2008 follows:

Amount restricted for school bus purchases	<u>\$ 29,912</u>
Total restricted assets	<u>\$ 29,912</u>

SUPPLEMENTARY DATA

WYNFORD LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(E) PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION						
(B) Food Donation	10.550	2008	\$ -	\$ 26,597	\$ -	\$ 26,597
Total Food Donation			-	26,597	-	26,597
Nutrition Cluster:						
(A) (C) School Breakfast Program	10.553	2008	17,549		17,549	
Total School Breakfast Program			17,549		17,549	
(A) (C) National School Lunch Program	10.555	2008	146,219		146,219	
Total National School Lunch Program			146,219		146,219	
Total Nutrition Cluster			163,768		163,768	
Total U.S. Department of Agriculture			163,768	26,597	163,768	26,597
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION						
Title I Grants to Local Educational Agencies	84.010	2008	111,475		115,634	
Total Title I Grants to Local Educational Agencies			111,475		115,634	
Special Education Grants to States	84.027	2007	58,897		57,973	
Special Education Grants to States	84.027	2008	246,940		255,080	
Total Special Education Grants to States			305,837		313,053	
Safe and Drug-Free Schools and Communities State Grants	84.186	2008	3,743		3,743	
Total Safe and Drug-Free Schools and Communities State Grants			3,743		3,743	
State Grants for Innovative Programs	84.298	2007	1,463		1,626	
Total State Grants for Innovative Programs			1,626		1,626	
Education Technology State Grants	84.318	2007	688		688	
Education Technology State Grants	84.318	2008	320		320	
Total Educational Technology State Grants			1,008		1,008	
Improving Teacher Quality State Grants	84.367	2007	7,752		6,404	
Improving Teacher Quality State Grants	84.367	2008	38,995		40,578	
Total Improving Teacher Quality State Grants			46,747		46,982	
Total U.S. Department of Education			470,436		482,046	
Total Federal Financial Assistance			\$ 634,204	\$ 26,597	\$ 645,814	\$ 26,597

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs.
 (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at the entitlement value.
 (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
 (D) This schedule was prepared on the cash basis of accounting.
 (E) OAKS did not assign pass through numbers for fiscal year 2008.



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Internal Control Over Financial Reporting and On
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Education
Wynford Local School District
3288 Holmes Center Road
Bucyrus, Ohio 44820-9462

We have audited the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Wynford Local School District as of and for the fiscal year ended June 30, 2008, which collectively comprise Wynford Local School District's basic financial statements and have issued our report thereon dated October 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

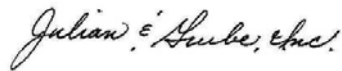
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Board of Education
Wynford Local School District

Compliance and Other Matters

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
October 31, 2008



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Compliance With Requirements Applicable to Its
Major Program and on Internal Control Over Compliance
in Accordance With OMB Circular A-133**

Board of Education
Wynford Local School District
3288 Holmes Center Rd.
Bucyrus, Ohio 44820-9462

Compliance

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

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

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

Internal Control Over Compliance

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

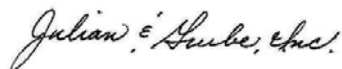
Board of Education
Wynford Local School District

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Wynford Local School District's internal control.

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

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



Julian & Grube, Inc.
October 31, 2008

**WYNFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008**

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

**2. FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

WYNFORD LOCAL SCHOOL DISTRICT

CRAWFORD 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**