

Lawrence County Joint Vocational School District

Lawrence County, Ohio

Single Audit

July 1, 2007 Through June 30, 2008

Fiscal Year Audited Under GAGAS: 2008

BALESTRA, HARR & SCHERER, CPAs, Inc.

528 S. WEST STREET, P.O. Box 687
PIKETON, OHIO 45661

TELEPHONE (740) 289-4131

FAX (740) 289-3639

www.bhscpas.com



Mary Taylor, CPA
Auditor of State

Board of Education
Lawrence County Joint Vocational School District
11627 State Route 243
Chesapeake, Ohio 45619

We have reviewed the *Independent Auditor's Report* of the Lawrence County Joint Vocational School District, Lawrence County, prepared by Balestra, Harr & Scherer, CPAs, 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 Lawrence County Joint Vocational School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 1, 2009

This Page is Intentionally Left Blank.

LAWRENCE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
Lawrence County, Ohio

Table of Contents

Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Adult Education Fund	17
Statement of Fiduciary Assets and Liabilities	18
Notes to the Basic Financial Statements	19
Schedule of Federal Awards Receipts and Expenditures	42
Notes to Schedule of Federal Awards Receipts and Expenditures	43
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	44
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133	46
Schedule of Findings and Questioned Costs OMB Circular A-133 §.505	48
Schedule of Prior Year Audit Findings OMB Circular A-133 §.505	50

This Page is Intentionally Left Blank.

BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Lawrence County Joint Vocational School District
11627 State Route 243
Chesapeake, Ohio 45619

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lawrence County Joint Vocational School District (the School District), Lawrence County, as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 Comptroller General of the United States' *Government Auditing Standards*. 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, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparison for the General and Adult Education Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

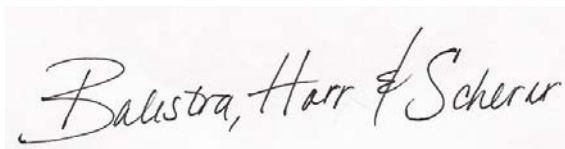
In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2009, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Members of the Board
Lawrence County Joint Vocational School District
Independent Auditor's Report
Page 2

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures 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. The schedule of federal awards receipts and expenditures 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.

As described in Note 3, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures – an amendment of GASB statements No. 25 and No. 27*.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer CPAs, Inc.
March 31, 2009

Lawrence County Joint Vocational School District, Ohio

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

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

Financial Highlights

Key financial highlights for the fiscal year 2008 are as follows:

- Net assets of governmental activities increased \$203,183.
- General revenues accounted for \$5,525,867 or 46% of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$6,459,626 or 54% of total revenues of \$11,985,493.
- The School District had \$11,782,310 in expenses related to governmental activities; \$6,459,626 of these expenses was offset by program specific charges for services, grants, contributions, and interest. General revenues of \$5,525,867 were adequate to provide for the rest of these programs.

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements 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 School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

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

Lawrence County Joint Vocational School District, Ohio

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

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's 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, all of the School District's activities are reported as Governmental Activities, including instruction, support services, operation of non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for multiple financial transactions. However, these fund financial statements focus on the School District's most significant fund. The School District's major governmental funds are the General Fund, Adult Education Special Revenue Funds, and Permanent Improvement Capital Projects Fund.

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

Fiduciary Funds The School District accounts for resources held for the benefit of parties outside the government as fiduciary funds. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the School District's own programs. The School District uses accrual accounting for fiduciary funds.

Lawrence County Joint Vocational School District, Ohio

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2008 compared to 2007.

Table 1
Net Assets

	Governmental Activities		
	2008	2007	Change
Assets			
Current and Other Assets	\$8,045,167	\$8,148,612	(\$103,445)
Capital Assets	2,842,412	2,678,219	164,193
Total Assets	<u>10,887,579</u>	<u>10,826,831</u>	<u>60,748</u>
Liabilities			
Long-term Liabilities	469,260	576,200	(106,940)
Other Liabilities	1,962,728	1,998,223	(35,495)
Total Liabilities	<u>2,431,988</u>	<u>2,574,423</u>	<u>(142,435)</u>
Net Assets			
Invested in Capital Assets, Net of Debt	2,738,939	2,500,343	238,596
Restricted	2,452,229	2,271,310	180,919
Unrestricted	<u>3,264,423</u>	<u>3,480,755</u>	<u>(216,332)</u>
Total Net Assets	<u>\$8,455,591</u>	<u>\$8,252,408</u>	<u>\$203,183</u>

Total assets increased \$60,748 due mainly to an increase in revenue generated by the School District's new vocational and adult programs, as well as new grants received in fiscal year 2008. Total liabilities decreased primarily due to the repayment of long-term debt.

Lawrence County Joint Vocational School District, Ohio

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

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2008, and comparisons to fiscal year 2007.

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	Change
Revenues			
Program Revenues			
Charges for Services	\$2,293,558	\$2,058,233	\$235,325
Operating Grants, Contributions and Interest	4,166,068	4,320,415	(154,347)
Total Program Revenues	<u>6,459,626</u>	<u>6,378,648</u>	<u>80,978</u>
General Revenues			
Property Taxes	1,938,681	1,696,051	242,630
Grants and Entitlements	3,024,719	2,751,180	273,539
Investment Earnings	360,572	330,512	30,060
Miscellaneous	201,895	133,409	68,486
Total General Revenues	<u>5,525,867</u>	<u>4,911,152</u>	<u>614,715</u>
Total Revenues	<u>11,985,493</u>	<u>11,289,800</u>	<u>695,693</u>
Program Expenses			
Instruction:			
Regular	221,580	99,825	121,755
Vocational	5,006,089	4,606,542	399,547
Adult/Continuing	1,727,330	1,643,649	83,681
Support Services:			
Pupils	259,308	172,086	87,222
Instructional Staff	170,590	159,104	11,486
Board of Education	28,363	30,118	(1,755)
Administration	1,437,673	1,417,410	20,263
Fiscal	432,621	445,343	(12,722)
Operation and Maintenance of Plant	797,532	716,727	80,805
Central	498,079	368,448	129,631
Operation of Non-Instructional Services:			
Food Service Operations	297,361	249,497	47,864
Community Services	872,257	715,692	156,565
Extracurricular Activities	28,382	27,889	493
Interest and Fiscal Charges	5,145	4,663	482
Total Expenses	<u>11,782,310</u>	<u>10,656,993</u>	<u>1,125,317</u>
Increase in Net Assets	203,183	632,807	(429,624)
Net Assets Beginning of Year	8,252,408	7,619,601	632,807
Net Assets End of Year	<u>\$8,455,591</u>	<u>\$8,252,408</u>	<u>\$203,183</u>

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. The increases in expenses are due to all employees receiving a 3 percent increase to their salaries for fiscal year 2008.

Lawrence County Joint Vocational School District, Ohio

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

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	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	\$221,580	\$48,036	\$99,825	(\$3,779)
Vocational	5,006,089	2,968,065	4,606,542	2,366,444
Adult/Continuing	1,727,330	(832,045)	1,643,649	(891,559)
Support Services:				
Pupils	259,308	79,354	172,086	61,911
Instructional Staff	170,590	69,013	159,104	71,042
Board of Education	28,363	28,363	30,118	30,118
Administration	1,437,673	1,279,235	1,417,410	1,208,564
Fiscal	432,621	415,471	445,343	418,948
Operation and Maintenance of Plant	797,532	774,535	716,727	690,672
Central	498,079	381,324	368,448	265,026
Operation of Non-Instructional Services:				
Food Service Operations	297,361	89,846	249,497	40,284
Community Services	872,257	6,234	715,692	1,517
Extracurricular Activities	28,382	10,108	27,889	14,494
Interest and Fiscal Charges	5,145	5,145	4,663	4,663
Total	\$11,782,310	\$5,322,684	\$10,656,993	\$4,278,345

59% of vocational instruction activities are supported through taxes and other general revenues. On the other hand, adult/continuing instruction activities generated \$832,045.

The School District Funds

The School District's funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,993,213 and expenditures of \$12,049,551.

General Fund – The General Fund is the primary operating fund of the School District. At the end of 2008, unreserved fund balance was \$3,526,450, while total fund balance was \$3,796,467. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. Unreserved fund balance represents 54 percent of total General Fund expenditures, while total fund balance represents 58 percent of General Fund Expenditures. The fund balance of the School District's General Fund decreased \$114,935 during the current fiscal year.

Lawrence County Joint Vocational School District, Ohio

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

Other Major Governmental Funds

Adult Education Fund – The fund balance of the Adult Education Fund at June 30, 2008, is \$3,716, an increase of \$73,408 from the prior year. This increase is due to the District offering new programs, which are starting to recoup startup costs through student fees.

Permanent Improvement Fund – The fund balance of the Permanent Improvement Fund at June 30, 2008, is \$2,287,493, an increase of \$332,863. This increase is due mainly to conservative spending in order to keep revenues greater than expenditures. This “saving for a rainy day” will enable the School District to better afford capital improvements in the future.

General Fund Budgeting Highlights

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

During the course of fiscal year 2008, the School District did not amend its General Fund budget.

The School District’s ending unobligated General Fund balance was \$3,814,637.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$2,842,412 invested in land, buildings, improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to 2007.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	\$174,360	\$109,260
Land Improvements	59,440	64,943
Buildings and Improvements	1,786,470	1,635,553
Furniture and Equipment	795,535	860,570
Vehicles	26,607	7,893
Totals	<u>\$2,842,412</u>	<u>\$2,678,219</u>

See Note 8 for more information on Capital Assets.

Lawrence County Joint Vocational School District, Ohio

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

Debt

At June 30, 2008, the School District had the following debt outstanding:

Table 5
Outstanding Debt, at Fiscal Year End

	Governmental Activities	
	2008	2007
Capital Leases Payable	\$0	\$3,182
Capital Improvement Note	103,473	174,694
Total	<u>\$103,473</u>	<u>\$177,876</u>

See Notes 13 and 14 for more information on debt.

Economic Factors

As the preceding information shows, the School District depends on the State School Foundation Program. The Lawrence County Joint Vocational School District is in a low economic growth area, so dependence on local tax revenue must be minimized.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Richard Sketel, Treasurer at Lawrence County Joint Vocational School District, 11627 State Route 243, Chesapeake, Ohio 45619.

Lawrence County Joint Vocational School District, Ohio
Statement of Net Assets
June 30, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$6,214,061
Intergovernmental Receivable	152,934
Prepaid Items	9,441
Materials and Supplies Inventory	1,485
Property Taxes Receivable	1,667,246
Nondepreciable Capital Assets	174,360
Depreciable Capital Assets, Net	2,668,052
<i>Total Assets</i>	10,887,579
Liabilities	
Accounts Payable	103,511
Accrued Wages and Benefits Payable	273,903
Accrued Interest Payable	1,186
Vacation Benefits Payable	250,586
Matured Compensated Absences Payable	38,291
Deferred Revenue	1,240,420
Intergovernmental Payable	54,831
Long-Term Liabilities:	
Due within One Year	109,030
Due in More than One Year	360,230
<i>Total Liabilities</i>	2,431,988
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,738,939
Restricted for:	
Capital Projects	2,311,650
Other Purposes	140,579
Unrestricted	3,264,423
<i>Total Net Assets</i>	\$8,455,591

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

Statement of Activities

For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Revenue and Changes in Net Assets
Governmental Activities				
Instruction:				
Regular	\$221,580	\$0	\$173,544	(\$48,036)
Vocational	5,006,089	43,262	1,994,762	(2,968,065)
Adult/Continuing	1,727,330	2,119,794	439,581	832,045
Support Services:				
Pupils	259,308	0	179,954	(79,354)
Instructional Staff	170,590	0	101,577	(69,013)
Board of Education	28,363	0	0	(28,363)
Administration	1,437,673	0	158,438	(1,279,235)
Fiscal	432,621	0	17,150	(415,471)
Operation and Maintenance of Plant	797,532	0	22,997	(774,535)
Central	498,079	0	116,755	(381,324)
Operation of Non-Instructional Services:				
Food Service Operations	297,361	112,228	95,287	(89,846)
Community Services	872,257	0	866,023	(6,234)
Extracurricular Activities	28,382	18,274	0	(10,108)
Interest and Fiscal Charges	5,145	0	0	(5,145)
<i>Totals</i>	<u>\$11,782,310</u>	<u>\$2,293,558</u>	<u>\$4,166,068</u>	<u>(5,322,684)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				1,566,946
Capital Outlay				371,735
Grants and Entitlements not Restricted to Specific Programs				3,024,719
Investment Earnings				360,572
Miscellaneous				201,895
<i>Total General Revenues</i>				<u>5,525,867</u>
<i>Change in Net Assets</i>				203,183
<i>Net Assets Beginning of Year</i>				<u>8,252,408</u>
<i>Net Assets End of Year</i>				<u><u>\$8,455,591</u></u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

*Balance Sheet
Governmental Funds
June 30, 2008*

	General	Adult Education	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,762,245	\$45,400	\$2,265,635	\$140,781	\$6,214,061
Receivables:					
Property Taxes	1,462,415	0	204,831	0	1,667,246
Intergovernmental	0	121,988	0	30,946	152,934
Interfund	180,023	0	0	0	180,023
Prepaid Items	6,473	2,968	0	0	9,441
Materials and Supplies Inventory	0	0	0	1,485	1,485
<i>Total Assets</i>	<u>\$5,411,156</u>	<u>\$170,356</u>	<u>\$2,470,466</u>	<u>\$173,212</u>	<u>\$8,225,190</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$53,668	\$16,342	\$4,053	\$29,448	\$103,511
Accrued Wages and Benefits Payable	248,884	2,044	0	22,975	273,903
Matured Compensated Absences Payable	20,821	17,470	0	0	38,291
Interfund Payable	0	0	0	180,023	180,023
Deferred Revenue	1,270,731	121,988	178,920	0	1,571,639
Intergovernmental Payable	20,585	8,796	0	25,450	54,831
<i>Total Liabilities</i>	<u>1,614,689</u>	<u>166,640</u>	<u>182,973</u>	<u>257,896</u>	<u>2,222,198</u>
Fund Balances					
Reserved for Encumbrances	85,316	30,092	0	40,319	155,727
Reserved for Property Taxes	184,701	0	24,456	0	209,157
Unreserved, Undesignated, Reported in:					
General Fund	3,526,450	0	0	0	3,526,450
Special Revenue Funds (Deficits)	0	(26,376)	0	(85,873)	(112,249)
Debt Service Fund (Deficit)	0	0	0	(39,130)	(39,130)
Capital Projects Funds	0	0	2,263,037	0	2,263,037
<i>Total Fund Balances (Deficit)</i>	<u>3,796,467</u>	<u>3,716</u>	<u>2,287,493</u>	<u>(84,684)</u>	<u>6,002,992</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,411,156</u>	<u>\$170,356</u>	<u>\$2,470,466</u>	<u>\$173,212</u>	<u>\$8,225,190</u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

Reconciliation of Total Governmental Fund Balances to

Net Assets of Governmental Activities

June 30, 2008

Total Governmental Fund Balances		\$6,002,992
 <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.		2,842,412
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	209,231	
Grants	<u>121,988</u>	<u>331,219</u>
Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but are not recognized on the balance sheet until due.		(250,586)
Interest payable is accrued for outstanding long-term liabilities, while interest is not reported until due on the balance sheet.		(1,186)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital Improvement Notes Payable	(103,473)	
Sick Leave Benefits Payable	<u>(365,787)</u>	<u>(469,260)</u>
Net Assets of Governmental Activities		<u><u>\$8,455,591</u></u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Adult Education	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$1,555,560	\$0	\$373,641	\$0	\$1,929,201
Intergovernmental	4,772,651	712,260	37,321	1,685,755	7,207,987
Investment Earnings	0	0	360,572	0	360,572
Tuition and Fees	43,262	1,884,482	0	0	1,927,744
Charges for Services	17,794	235,312	0	112,228	365,334
Extracurricular	0	0	0	480	480
Miscellaneous	92,377	79,992	0	29,526	201,895
<i>Total Revenues</i>	<u>6,481,644</u>	<u>2,912,046</u>	<u>771,534</u>	<u>1,827,989</u>	<u>11,993,213</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	222,501	222,501
Vocational	4,532,906	0	35,150	318,538	4,886,594
Adult/Continuing	0	1,690,399	9,127	21,319	1,720,845
Support Services:					
Pupils	61,193	0	0	196,886	258,079
Instructional Staff	61,474	12,892	0	103,494	177,860
Board of Education	26,332	0	0	0	26,332
Administration	746,815	626,257	1,394	24,999	1,399,465
Fiscal	323,998	67,510	4,719	74,668	470,895
Operation and Maintenance of Plant	675,706	49,554	55,547	11,231	792,038
Central	92,342	388,816	0	18,000	499,158
Operation of Non-Instructional Services:					
Food Service Operations	0	0	13,990	279,245	293,235
Community Services	0	0	0	872,257	872,257
Extracurricular Activities	25,848	0	0	2,534	28,382
Capital Outlay	0	0	318,744	0	318,744
Debt Service:					
Principal Retirement	0	3,182	0	71,221	74,403
Interest and Fiscal Charges	0	28	0	8,735	8,763
<i>Total Expenditures</i>	<u>6,546,614</u>	<u>2,838,638</u>	<u>438,671</u>	<u>2,225,628</u>	<u>12,049,551</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(64,970)</u>	<u>73,408</u>	<u>332,863</u>	<u>(397,639)</u>	<u>(56,338)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	49,965	49,965
Transfers Out	(49,965)	0	0	0	(49,965)
<i>Total Other Financing Sources (Uses)</i>	<u>(49,965)</u>	<u>0</u>	<u>0</u>	<u>49,965</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(114,935)	73,408	332,863	(347,674)	(56,338)
<i>Fund Balances(Deficit) Beginning of Year</i>	<u>3,911,402</u>	<u>(69,692)</u>	<u>1,954,630</u>	<u>262,990</u>	<u>6,059,330</u>
<i>Fund Balances(Deficit) End of Year</i>	<u>\$3,796,467</u>	<u>\$3,716</u>	<u>\$2,287,493</u>	<u>(\$84,684)</u>	<u>\$6,002,992</u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008*

Net Change in Fund Balances - Total Governmental Funds (\$56,338)

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

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

Capital Asset Additions	414,497	
Depreciation Expense	(250,304)	164,193

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Grants	(17,200)	
Delinquent Taxes	9,480	(7,720)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Capital Improvement Note	71,221	
Capital Lease	3,182	74,403

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. 3,618

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

Vacation Benefits Payable	(7,510)	
Sick Leave Benefits Payable	32,537	25,027

Change in Net Assets of Governmental Activities \$203,183

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*

General Fund

For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues				
Property Taxes	\$1,250,000	\$1,250,000	\$1,450,932	\$200,932
Intergovernmental	4,782,170	4,782,170	4,772,651	(9,519)
Tuition and Fees	24,000	24,000	43,262	19,262
Charges for Services	10,500	10,500	17,794	7,294
Miscellaneous	80,000	80,000	92,377	12,377
<i>Total Revenues</i>	<u>6,146,670</u>	<u>6,146,670</u>	<u>6,377,016</u>	<u>230,346</u>
Expenditures				
Current:				
Instruction:				
Vocational	4,178,659	4,178,659	4,674,761	(496,102)
Support Services:				
Pupils	55,043	55,043	61,558	(6,515)
Instructional Staff	77,757	77,757	67,376	10,381
Board of Education	40,128	40,128	22,117	18,011
Administration	785,710	785,710	767,801	17,909
Fiscal	429,275	429,275	325,804	103,471
Operation and Maintenance of Plant	698,688	698,688	679,859	18,829
Central	92,404	92,404	89,204	3,200
Extracurricular Activities	27,571	27,571	26,385	1,186
<i>Total Expenditures</i>	<u>6,385,235</u>	<u>6,385,235</u>	<u>6,714,865</u>	<u>(329,630)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(238,565)</u>	<u>(238,565)</u>	<u>(337,849)</u>	<u>(99,284)</u>
Other Financing Sources (Uses)				
Advances In	219,206	219,206	200,000	(19,206)
Transfers Out	(25,000)	(25,000)	(49,965)	(24,965)
<i>Total Other Financing Sources (Uses)</i>	<u>194,206</u>	<u>194,206</u>	<u>150,035</u>	<u>(44,171)</u>
<i>Net Change in Fund Balance</i>	<u>(44,359)</u>	<u>(44,359)</u>	<u>(187,814)</u>	<u>(143,455)</u>
<i>Fund Balance Beginning of Year</i>	3,523,921	3,523,921	3,523,921	0
Prior Year Encumbrances Appropriated	478,530	478,530	478,530	0
<i>Fund Balance End of Year</i>	<u>\$3,958,092</u>	<u>\$3,958,092</u>	<u>\$3,814,637</u>	<u>(\$143,455)</u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*

Adult Education Fund

For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$761,350	\$761,350	\$712,260	(\$49,090)
Tuition and Fees	1,534,275	1,534,275	1,884,482	350,207
Charges for Services	195,000	195,000	303,159	108,159
Miscellaneous	171,000	171,000	79,992	(91,008)
<i>Total Revenues</i>	<u>2,661,625</u>	<u>2,661,625</u>	<u>2,979,893</u>	<u>318,268</u>
Expenditures				
Current:				
Instruction:				
Adult/Continuing	1,452,981	1,452,981	1,697,387	(244,406)
Support Services:				
Instructional Staff	13,050	13,050	12,892	158
Administration	546,953	546,953	619,239	(72,286)
Fiscal	96,665	96,665	67,452	29,213
Operation and Maintenance of Plant	47,825	47,825	51,374	(3,549)
Central	352,881	352,881	410,082	(57,201)
<i>Total Expenditures</i>	<u>2,510,355</u>	<u>2,510,355</u>	<u>2,858,426</u>	<u>(348,071)</u>
<i>Excess of Revenues Over Expenditures</i>	151,270	151,270	121,467	(29,803)
Other Financing Uses				
Advances Out	(200,000)	(200,000)	(200,000)	0
<i>Net Change in Fund Balance</i>	(48,730)	(48,730)	(78,533)	(29,803)
<i>Fund Balance Beginning of Year</i>	18,459	18,459	18,459	0
Prior Year Encumbrances Appropriated	63,237	63,237	63,237	0
<i>Fund Balance End of Year</i>	<u>\$32,966</u>	<u>\$32,966</u>	<u>\$3,163</u>	<u>(\$29,803)</u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$3,152</u></u>
Liabilities	
Undistributed Monies	<u><u>\$3,152</u></u>

See accompanying notes to the basic financial statements

Lawrence County Joint Vocational School District, Ohio

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

Note 1 - Description of the School District and Reporting Entity

The Lawrence County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of two members of the Lawrence County Educational Service Center Board of Education, two members from the Ironton City School District Board of Education, and one member from the Chesapeake Union Exempted Village School District Board of Education, which possesses its own budgeting and taxing authority. The School District exposes students to job training, leading to employment upon graduation from high school.

The School District is staffed by 41 classified employees, 104 certificated full-time teaching personnel, and 10 administrative employees who provide services to 533 students and other community members. The School District currently operates one instructional building.

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes for the organization. The School District has no component units.

The School District participates in four organizations, two of which are defined as jointly governed organizations and two as insurance purchasing pools. The jointly governed organizations are the South Central Ohio Computer Association and the Coalition of Rural and Appalachian Schools. The insurance purchasing pools are the Ohio School Boards Association Workers' Compensation Group Rating Plan and the Lawrence County Schools Insurance Purchasing Consortium. These organizations are presented in Notes 16 and 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Lawrence County Joint Vocational School District, Ohio

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the stand-alone government, except for the fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however, has no business-type activities.

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

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are two categories of funds used by this School District: governmental 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 are the School District's major governmental funds:

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

Lawrence County Joint Vocational School District, Ohio

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

Adult Education Fund The Adult Education Special Revenue Fund is used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and reimbursement from the State Department of Education. Expenditures include supplies, salaries, and textbooks.

Permanent Improvement Fund The Permanent Improvement Capital Projects Fund is used to account for all transactions related to the acquiring, constructing, or improving such permanent improvements as are authorized by Chapter 5705, Revised Code.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

Lawrence County Joint Vocational School District, Ohio

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

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. Measurable means the amount of the transaction can be determined. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the 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 year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On 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, investment earnings, tuition, grants, fees, and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Lawrence County Joint Vocational School District, Ohio

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

During fiscal year 2008, the School District had no investments.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. The School District Board of Education has allocated interest earned on interim funds to the Permanent Improvement Fund. Interest revenue credited to the Permanent Improvement Fund during fiscal year 2008 amounted to \$360,572, including \$234,347 allocated from other funds.

F. Prepaid Items

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

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of expendable supplies held for consumption and donated and purchased food.

H. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. 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 retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Buildings and Improvements	30-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Lawrence County Joint Vocational School District, Ohio

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

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as vacation benefits payable, rather than long-term liabilities, as the balances are usually used by employees within the calendar year earned. At the employee's request, any carry-over may be paid to the employees each year, or carried over and paid upon termination, up to an amount equal to the last three year's accrual.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified and certified employees after ten years of current service with the School District. The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, sick leave benefits are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee will be paid.

J. Accrued Liabilities and Long-term Obligations

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

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

K. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

Lawrence County Joint Vocational School District, Ohio

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

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

L. Fund Balance Reserves

The School District reserves those portions of fund balance 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 and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles 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 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations and federal and state grants restricted to expenditure for specified purposes. The government-wide statement of net assets reports \$2,452,229 of restricted net assets. Of the restricted net assets, none have resulted from enabling legislation.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The School District has none.

N. 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.

O. Estimates

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

Lawrence County Joint Vocational School District, Ohio

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

P. Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statement reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed. Prior to June 30, the Board requested and received an amended certificate in which estimated revenue equaled actual revenue.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to June 30, the Board passed an appropriation resolution which matched actual expenditures during the fiscal year plus encumbrances outstanding at fiscal year end.

Note 3 - Accountability and Compliance

A. Fund Deficits

The following funds had deficit fund balances as of June 30, 2008:

Fund Type/Fund	Deficit
Special Revenue:	
Food Service	\$66,657
Public School Support	1,759
Post-Secondary Vocational	16,200
Career Development	11,452
Miscellaneous State Grants	42,361
Southeast Ohio Special Education Project	34
Vocational Funds	31,838
Pell Grant	5,858
Safe and Drug Free Schools	95
Miscellaneous Federal Grants	35,372
Debt Service:	
Bond Retirement	39,130

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The General Fund is liable for the deficits in the special revenue funds and provides operating transfers when cash is required, not when accruals occur.

B. Legal Compliance

The General Fund had expenditures in excess of appropriations at the end of the fiscal year in the amount of \$329,630. The Adult Education Special Revenue Fund had expenditures in excess of appropriations at the end of the fiscal year in the amount of \$348,071. The School District will monitor its budgetary activity to prevent this from occurring in the future.

C. Change in Accounting Principles

For the fiscal year 2008, the School District implemented GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and Adult Education Special Revenue Fund.

Net Change in Fund Balance

	<u>General</u>	<u>Adult Education</u>
GAAP Basis	(\$114,935)	\$73,408
Revenue Accruals	(104,628)	67,847
Prepaid Items Beginning of Year	11,126	6,139
Prepaid Items End of Year	(6,473)	(2,968)
Expenditure Accruals	(62,979)	19,278
Advances In	200,000	0
Advances Out	0	(200,000)
Encumbrances	(109,925)	(42,237)
Budget Basis	<u>(\$187,814)</u>	<u>(\$78,533)</u>

Note 5 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

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

Inactive deposits are public deposits that the Board 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 held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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;

Lawrence County Joint Vocational School District, Ohio

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

3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$6,152,137 of the School District's bank balance of \$6,252,137 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the school district fiscal year runs from July through June. First half tax collections are received by the school 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 school district. Real property tax revenue received in calendar 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.

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Public utility property tax revenue received in calendar 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.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value listed as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 was 6.25 percent 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 School District prior to June 30. This year, however, the settlement was not received until July.

The School District receives property taxes from Lawrence and Gallia Counties. The County Auditor periodically advances to the School 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 the 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 late personal property tax settlement and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2008, was \$184,701 in the General Fund and \$24,456 in the Permanent Improvements Capital Projects Fund. The amount available as an advance at June 30, 2007, was \$80,134 in the General Fund and \$12,112 in the Permanent Improvements Capital Projects Fund. The late personal property tax settlement amounted to \$6,983 in the General Fund and \$1,455 in the Permanent Improvement Capital Projects 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.

Lawrence County Joint Vocational School District, Ohio

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

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

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$541,179,710	75%	\$623,416,640	79%
Public Utility Personal	89,602,840	13%	91,016,440	11%
Tangible Personal Property	83,193,670	12%	78,813,370	10%
Total	\$713,976,220	100%	\$793,246,450	100%
Tax rate per \$1,000 of assessed valuation		\$2.90		\$2.90

Note 7 - Receivables

Receivables at June 30, 2008, consisted of property taxes, interfund, and intergovernmental grants. 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. All receivables, except for property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
Special Revenue Funds:	
Adult Education	\$121,988
Adult Full Service Center	16,200
High Schools That Work	3,608
Carl D. Perkins Adult/Secondary	1,773
Title V	1,620
Improving Teacher Quality	6,451
Safe and Drug Free Schools	1,294
Total Intergovernmental Receivables	\$152,934

Lawrence County Joint Vocational School District, Ohio

*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:

	<u>Balance</u> <u>6/30/2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2008</u>
Capital Assets:				
Capital Assets not being depreciated:				
Land	\$109,260	\$65,100	\$0	\$174,360
Depreciable Capital Assets:				
Land Improvements	655,896	0	0	655,896
Buildings and Improvements	6,218,253	247,400	0	6,465,653
Furniture and Equipment	1,891,899	77,497	0	1,969,396
Vehicles	186,104	24,500	0	210,604
Total Capital Assets being Depreciated	<u>8,952,152</u>	<u>349,397</u>	<u>0</u>	<u>9,301,549</u>
Less Accumulated Depreciation				
Land Improvements	(590,953)	(5,503)	0	(596,456)
Buildings and Improvements	(4,582,700)	(96,483)	0	(4,679,183)
Furniture and Equipment	(1,031,329)	(142,532)	0	(1,173,861)
Vehicles	(178,211)	(5,786)	0	(183,997)
Total Accumulated Depreciation	<u>(6,383,193)</u>	<u>(250,304)</u>	<u>0</u>	<u>(6,633,497)</u>
Total Capital Assets being Depreciated, Net	<u>2,568,959</u>	<u>99,093</u>	<u>0</u>	<u>2,668,052</u>
Capital Assets, Net	<u>\$2,678,219</u>	<u>\$164,193</u>	<u>\$0</u>	<u>\$2,842,412</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$125
Vocational	217,014
Adult Education	15,756
Support Services:	
Board of Education	2,031
Administration	7,817
Operation and Maintenance of Plant	3,284
Central	1,873
Operation of Non-Instructional Services:	
Food Service Operations	2,404
Total Depreciation Expense	<u>\$250,304</u>

Note 9 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District contracted with Trident Risk Control Services for automobile and property coverage and commercial umbrella liability coverage for the period July 1, 2007 through June 30, 2008.

Lawrence County Joint Vocational School District, Ohio

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

The types and amounts of coverage are as follows:

General Liability:	
Each Occurrence	\$1,000,000
Damage to Rented Premises	100,000
Aggregate Limit	3,000,000
Products - Completed Operations Aggregate Limit	3,000,000
Personal Injury	1,000,000
Excess Liability:	
Each Occurrence	3,000,000
Aggregate Limit	3,000,000
Employer's Liability:	
Each Occurrence	1,000,000
Disease - Each Employee	1,000,000
Disease - Policy Limit	1,000,000
Building and Business Personal Property Coverage (\$1,000 deductible)	20,718,590
Automobile Liability (\$1,000 deductible for buses; \$500 for other)	1,000,000

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

B. Worker's Compensation

For fiscal year 2008, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school 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.

Note 10 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

Non-teaching employees earn ten to twenty days of vacation per fiscal year, depending upon the length of service. Administrative personnel earn twenty days of vacation per fiscal year. Maximum days accrued shall not exceed 60 days. Accumulated, unused vacation time is paid to non-teaching employees and administrative personnel upon termination of employment not to exceed the amount accrued within three years before the date of separation. Teaching employees, part-time employees and employees employed for less than 12 months do not earn vacation time.

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Teaching employees, administrative personnel and non-teaching employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulates to a maximum of 250 days for administrative personnel and non-teaching employees and accumulates to a maximum of 295 days for teaching employees. Teaching employees upon retirement who have taught 10 or more years in the Lawrence County Joint Vocational School District are paid one-fourth of the total sick leave accumulation up to a maximum of 50 days. Administrative personnel and non-teaching employees are paid one-fourth of the total sick leave accumulation up to a maximum of 50 days. Teaching employees, administrative personnel and non-teaching employees who have been employed in the School District for 10 years or more, upon retirement, and have accrued unused sick leave credit of 200 days or more shall be paid an attendance bonus of an additional 10 days above the maximum of 50 days and shall receive an extra bonus of one additional day for each year of service after the tenth year of service.

B. Life Insurance and Health Care Benefits

The School District provides life insurance and accidental death and dismemberment insurance to all classified and administrative employees through the Life Insurance Company of North America in the amount of \$35,000.

Health insurance is provided by United Health Care Insurance. Premiums for this coverage are \$1,531 for family coverage and \$620 for single coverage per month. The School District pays 75% of the family coverage premium and 95% of the single coverage premium for administrators, adult education teachers, and non-certified staff. The School District pays 64% of the family coverage premium and 100% of the single coverage premium for vocational teachers.

Vision and dental insurance are provided by Medical Benefits Mutual. Premiums for this coverage are \$33.99 single and \$104.49 family coverage per month. The School District pays 100% of the premium for single plans and 33% of the premium for family plans.

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Lawrence County Joint Vocational School District, Ohio

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006, were \$84,955, \$79,253, and \$72,963; 100 percent has been contributed for fiscal years 2008, 2007, and 2006.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. 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 43215-3371, by calling (614) 227-4090, 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 member contributions and earned interest matched by STRS Ohio funds times 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 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$594,237, \$563,483, and \$581,114; 100 percent has been contributed for fiscal years 2008, 2007, and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$27,175 made by the School District and \$27,175 made by the plan members.

Note 12 - Postemployment Benefits

A. School Employee Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$15,370.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$54,138, \$43,789, and \$44,797 respectively; 71.61 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006, were \$6,121, \$5,389, and \$5,807 respectively; 71.61 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

Lawrence County Joint Vocational School District, Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District’s contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006, were \$45,711, \$43,345, and \$44,701 respectively; 100 percent has been contributed for fiscal years 2008, 2007, and 2006.

Note 13 - Long-Term Obligations

The changes in the School District’s long-term obligations during the fiscal year consist of the following:

	Principal Outstanding 6/30/2007	Additions	Reductions	Principal Outstanding 6/30/2008	Amounts Due in One Year
Governmental Activities					
Capital Lease	\$3,182	\$0	\$3,182	\$0	\$0
Capital Improvement Note, 2000-5.50%	174,694	0	71,221	103,473	74,417
Sick Leave Benefits	398,324	76,072	108,609	365,787	34,613
Total Governmental Activities					
Long-Term Liabilities	<u>\$576,200</u>	<u>\$76,072</u>	<u>\$183,012</u>	<u>\$469,260</u>	<u>\$109,030</u>

Sick leave benefits will be paid from the funds from which the employees’ salaries are paid, which are the General Fund and the Food Service and Adult Education Special Revenue Funds. The capital lease was paid from the Adult Education Special Revenue Fund.

The capital improvement note was originally issued in the amount of \$472,471 and proceeds were used for improvements to the School District’s heating and cooling systems. The note will be paid from the Debt Service Fund and is backed by the full faith and credit of the Lawrence County Joint Vocational School District. Principal and interest requirements to retire the note outstanding at June 30, 2008, are as follows:

Fiscal Year	Principal	Interest	Total
Ending June 30, 2009	\$74,417	\$9,468	\$83,885
2010	29,056	2,063	31,119
	<u>\$103,473</u>	<u>\$11,531</u>	<u>\$115,004</u>

The overall debt margin of the School District as of June 30, 2008, was \$71,332,681, with an unvoted debt margin of \$689,773.

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Note 14 - Capitalized Leases - Lessee Disclosure

The School District entered into a capital lease for an ultrasound lab. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures on the statement of revenues, expenses and changes in fund balances for governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. The capital asset acquired by the lease has been capitalized in the amount of \$70,000, which is equal to the present value of the future minimum lease payments at the time of acquisition. The carrying value of this asset at June 30, 2008, is \$49,000.

Note 15 - Transfers and Interfund Balances

During fiscal year 2008, the General Fund made transfers to the Bond Retirement Fund in the amount of \$39,978 for the retirement of debt. The General Fund also transferred \$9,987 to other non-major governmental funds to subsidize various programs in other funds.

Interfund receivables and payables at June 30, 2008; consist of the following individual balances, representing monies advanced to funds to be repaid when grant funds or other program revenues are received, and for services rendered by one fund for another:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$180,023	\$0
Special Revenue Funds:		
Food Service	0	53,419
Public School Support	0	1,759
461 Fund	0	11,454
Miscellaneous State Grants	0	31,690
IDEA-B	0	34
524 Fund	0	16,083
Drug Free Schhols	0	1,389
Pell Grant	0	5,859
Miscellaneous Federal Grants	0	19,206
Total Special Revenue Funds	<u>0</u>	<u>140,893</u>
Debt Service Fund:		
Bond Retirement Fund	0	39,130
Total All Funds	<u>\$180,023</u>	<u>\$180,023</u>

Lawrence County Joint Vocational School District, Ohio

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

Note 16 - Jointly Governed Organizations

South Central Ohio Computer Association (SCOCA) is a jointly governed organization among public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, and Lawrence Counties. The organization was formed with the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each of the seven participating counties and one representative from the fiscal agent. Revenues are generated from an annual fee of \$2.00 per student to participating districts, State funding, and charges for additional services to participating districts. Lawrence County Joint Vocational School District paid \$21,263 for services provided during fiscal year 2008. To obtain financial information write to the Pike County Joint Vocational School District, P.O. Box 577, 23365 State Route 124, Piketon, Ohio 45661.

The **Coalition of Rural and Appalachian Schools** is a jointly governed organization composed of over 130 school districts and other educational institutions in the 29-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One member is elected and one is appointed from each of the seven regions into which the 29 Appalachian counties are divided. Three members are from Ohio University College of Education. The Council provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Council. The School District's membership fee was \$375 for fiscal year 2008. Financial information can be obtained from Dick Fisher, Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Note 17 - Insurance Purchasing Pools

The School District participates in the **Ohio School Plan (OSP)**, an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

The School District participates in the **Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)**, an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the plan. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the plan.

Lawrence County Joint Vocational School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

The School District participates in the **Lawrence County Schools Insurance Purchasing Consortium**, an insurance purchasing pool. The consortium's business and affairs are conducted by a nine member Board of Directors consisting of the superintendents of member school districts and educational service centers.

Note 18 - Set Asides

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization.

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

	Textbooks	Capital Improvements
Set-Aside Reserve Balance as of as of June 30, 2007	\$0	\$0
Current Year Set-Aside Requirement	86,514	86,514
Prior Year's Carry Over	(847,425)	0
Current Year Offsets	0	(121,430)
Qualifying Disbursements	(930,525)	(88,533)
Totals	<u>(\$1,691,436)</u>	<u>(\$123,449)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>(\$1,691,436)</u>	<u>\$0</u>
Set-Aside Reserve Balance as of June 30, 2008	<u>\$0</u>	<u>\$0</u>

The School District had qualifying expenditures and offsets during the fiscal year that reduced the textbook and capital improvement set-aside amounts below zero. The extra amounts in the textbooks set-aside may be used to reduce the set-aside requirements of future years. The extra amounts in the capital improvements set-aside may not.

Lawrence County Joint Vocational School District, Ohio

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

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state 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 general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

B. Litigation

The School District is currently not a party to any legal proceedings.

Lawrence County Joint Vocational School District
Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
Food Donation	N/A	10.550	-	15,305	-	15,305
<i>Nutrition Cluster</i>						
School Breakfast Program	05PU	10.553	23,282	-	23,282	-
National School Lunch Program	LLP4	10.555	64,776	-	64,776	-
<i>Total Nutrition Cluster</i>			88,058	-	88,058	-
Total United States Department of Agriculture			88,058	15,305	88,058	15,305
United States Department of Education						
<i>Direct from the Federal Agency</i>						
<i>Student Financial Aid Cluster</i>						
Federal Family Education Loans	N	84.032	-	1,368,001	-	1,368,001
Pell Grants	N	84.063	856,146	-	856,146	-
<i>Total Student Financial Aid Cluster</i>			856,146	1,368,001	856,146	1,368,001
Rural Education	N	84.358	36,760		51,683	
<i>Passed through Ohio Department of Education</i>						
Vocational Education Basic Grants to States	20C1/20C2	84.048	445,482	-	403,814	-
Safe & Drug Free Schools	DRS1	84.186	144	-	1,533	-
Adult and Community Education	ABS1	84.002	122,534	-	136,015	-
Title II-A Improving Teacher Quality	TRS1	84.367	332	-	-	-
Innovative Education Program Strategy	C2S1	84.298	107	-	-	-
Total United States Department of Education			1,461,505	1,368,001	1,449,191	1,368,001
Appalachian Regional Commission						
<i>Passed through Ohio Department of Development</i>						
Appalachian Regional Development	N/A	23.001	-	-	15,617	-
Total Appalachian Regional Commission			-	-	15,617	-
Total Federal Financial Assistance			\$ 1,549,563	\$ 1,383,306	\$ 1,552,866	\$ 1,383,306

N=Direct Assistance from Federal Government

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures

LAWRENCE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards receipts and expenditures is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B- GUARANTEED STUDENT LOANS

Non-monetary assistance is reported in the schedule at the dollar amount of guaranteed student loans disbursed.

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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*

Members of the Board
11627 State Route 243
Chesapeake, Ohio 45619

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lawrence County Joint Vocational School District, (the District), as of and for the year ended June 30, 2008, and have issued our report thereon dated March 31, 2009, in which we indicate that the District implemented GASB Statements No. 50. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all 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.

We also noted internal control matters that we reported to the School District's management in a separate letter dated March 31, 2009.

Compliance and Other Matters

As part of obtaining reasonably assuring whether the District's financial statements are free of material misstatement, we tested compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially effect 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned cost as item No. 2008-001.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response, and accordingly, we express no opinion on it.

We noted certain non-compliance or other matters reported to the District in a separate report dated March 31, 2009.

This report is intended for the information and use of management, members of the Board, 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.



Balestra, Harr & Scherer, CPAs, Inc.

March 31, 2009

BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

Members of the Board
Lawrence County Joint Vocational School District
11627 State Route 243
Chesapeake, Ohio 45619

Compliance

We have audited the compliance of the Lawrence County Joint Vocational School District, (the 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 year ended June 30, 2008. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 the District's internal control over compliance.

Internal Control Over Compliance (Continued)

A control deficiency in the 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 the 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 the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the 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 solely for the information and use of management, members of the Board, 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.



Balestra, Harr & Scherer, CPAs, Inc.

March 31, 2009

**LAWRENCE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
LAWRENCE COUNTY
JUNE 30, 2008**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs= Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster CFDA# 84.032 & #84.063
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**LAWRENCE COUNTY JOINT VOACTIONAL SCHOOL DISTRICT
LAWRENCE COUNTY
JUNE 30, 2008**

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

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

Finding Number 2008-001

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. It was noted that expenditures exceeded appropriations in Fund 001, 003, 012, 424 and 524 by \$329,630; 15,481; 348,071; 6,118; and 57,710 respectively.

Response: The Treasurer will monitor its budgetary activity to prevent this from occurring in the future.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**LAWRENCE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
LAWRENCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Significant Deficiency – An error was noted in the basic financial statements.	Yes	
2007-002	Noncompliance - Reporting	Yes	



Mary Taylor, CPA
Auditor of State

LAWRENCE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

LAWRENCE 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
MAY 14, 2009**