

**WAYNE COUNTY JOINT VOCATIONAL  
SCHOOL DISTRICT  
Wayne County, Ohio**

*Basic Financial Statements  
Fiscal Year Ended June 30, 2008*





Mary Taylor, CPA  
Auditor of State

Board of Education  
Wayne County Joint Vocational School District  
518 W. Prospect Street  
Smithville, Ohio 44677

We have reviewed the *Independent Auditor's Report* of the Wayne County Joint Vocational School District, prepared by Rea & Associates, 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 Wayne County Joint Vocational School District is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 3, 2009

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**WAYNE COUNTY JOINT VOCATIONAL  
SCHOOL DISTRICT  
Wayne County, Ohio**

*For the Fiscal Year Ended June 30, 2008  
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**WAYNE COUNTY JOINT VOCATIONAL  
SCHOOL DISTRICT  
Wayne County, Ohio**

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December 22, 2008

The Board of Education  
Wayne County Joint Vocational School District  
518 W. Prospect St.  
Smithville, OH 44677

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County Joint Vocational School District (the Joint Vocational School District), as of and for the year ended June 30, 2008, which collectively comprise the Joint Vocational School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Joint Vocational 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Joint Vocational School District, as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparison for the general fund and adult education fund 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 December 22, 2008 on our consideration of the Joint Vocational School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Wayne County Joint Vocational School District  
Independent Auditor's Report  
December 22, 2008

The Management's Discussion and Analysis on pages 3 through 10 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Rea & Associates, Inc.*

## Wayne County Joint Vocational School District

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

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The discussion and analysis of the Wayne 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 performance as a whole; readers should also review the notes to the basic financial statements, and the financial statements to enhance their understanding of the School District's financial performance.

#### **Financial Highlights**

Key financial highlights for 2008 are as follows:

- q General Revenues accounted for \$12.1 million in revenue or 75% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for approximately \$4.0 million or 25% of total revenues of \$16.1 million.
- q Total program expenses were \$14.5 million.
- q Net assets of governmental activities increased \$1,662,619 from 2007.
- q Outstanding debt decreased from \$4,397 to \$0 through the payment of debt principal.
- q Net capital assets increased \$17,863 from 2007.

#### **Using this Annual Financial Report**

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole 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 highlight the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Wayne County Joint Vocational School District, the general fund is by far the most significant fund.

#### ***Reporting the School District as a Whole***

##### *Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the School District to provide programs and activities, 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.

**Wayne County Joint Vocational School District**

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

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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 which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is classified into governmental activities. All of the School District's programs and services are reported here, including: instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service 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 financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, permanent improvement fund and adult education 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 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 government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements begin on page 13.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21.

**Wayne County Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

**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
<b>Assets</b>		
Current and Other Assets	\$ 13,958,241	\$ 11,052,237
Capital Assets	4,875,673	4,857,810
Total Assets	18,833,914	15,910,047
<b>Liabilities</b>		
Long-Term Liabilities	916,912	977,776
Other Liabilities	6,530,643	5,208,531
Total Liabilities	7,447,555	6,186,307
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	4,875,673	4,853,413
Restricted	2,927,281	2,006,659
Unrestricted	3,583,405	2,863,668
Total Net Assets	\$ 11,386,359	\$ 9,723,740

Assets increased by \$2,923,867 and liabilities increased \$1,261,248 resulting in an increase in net assets of \$1,662,619. A combination of increases and decreases contributed to this increase. The most significant factor that caused this increase was the passage of a 10 year .75 mill permanent improvement levy with collections beginning in 2008.

**Wayne County Joint Vocational School District**  
*Management's Discussion and Analysis*  
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Table 2 shows the changes in net assets for fiscal year 2008 compared to 2007.

**(Table 2)**  
**Changes in Net Assets**

	Governmental Activities	
	2008	2007
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for Services	\$ 1,806,033	\$ 1,801,098
Operating Grants	2,187,113	2,068,988
<i>General Revenues:</i>		
Property Taxes	5,359,931	4,966,033
Grants and Entitlements	6,420,481	5,911,830
Gifts and Donations	26,212	83,988
Investment Earnings	264,668	338,681
Miscellaneous	86,316	31,951
<b>Total Revenues</b>	<b>16,150,754</b>	<b>15,202,569</b>
<b>Program Expenses</b>		
Instruction	9,252,699	8,540,671
Support Services	4,783,415	5,066,225
Operation of Non-Instructional Services	240,119	241,487
Extracurricular Activities	91	63
Food Service Operation	211,809	200,427
Interest and Fiscal Charges	2	0
<b>Total Expenses</b>	<b>14,488,135</b>	<b>14,048,873</b>
Change in Net Assets	1,662,619	1,153,696
<i>Net Assets Beginning of Year</i>	<u>9,723,740</u>	<u>8,570,044</u>
<i>Net Assets End of Year</i>	<u><u>\$ 11,386,359</u></u>	<u><u>\$ 9,723,740</u></u>

Revenue increased by \$948,185 or 6.2% over fiscal year 2007. This increase can be attributed to an increase in property taxes due to passage of a levy. Expenses increased \$439,262 over 3.1% over fiscal year 2007. This can be attributed to an increase in salaries and fringe benefits.

**Wayne County Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. All governmental funds had total revenues of \$16.1 million and expenditures of \$14.5 million.

**(Table 3)**  
**Governmental Activities**

	2008		2007	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 9,252,699	\$ 6,450,921	\$ 8,540,671	\$ 5,430,453
Support Services:				
Pupils and Instructional Staff	2,042,765	1,688,609	1,947,675	1,386,194
Board of Education, Administration				
Fiscal and Business	1,538,203	1,529,527	1,531,562	1,531,562
Operation and Maintenance of Plant	1,115,975	1,108,416	1,510,437	1,510,437
Pupil Transportation and Central	86,472	86,472	76,551	76,551
Operation of Non-Instructional Services	240,119	9,699	241,487	241,487
Food Service Operation	211,809	5,977	200,427	2,040
Extracurricular Activities	91	91	63	63
Interest and Fiscal Charges	2	2	0	0
<b>Total</b>	<b>\$ 14,488,135</b>	<b>\$ 10,879,714</b>	<b>\$ 14,048,873</b>	<b>\$ 10,178,787</b>

Total cost of service for 2008 increased 3.1% over 2007. Instruction and student support services comprise 97% of governmental program expenses.

The reliance of local tax and other general revenues for governmental activities is crucial. Over 75% of expenses are directly supported by these resources. Of these revenues, 33% is from property taxes, 42% from grants and entitlements not restricted to specific programs with investment and other miscellaneous revenues supporting the remaining activity costs.

While community support of the School District is crucial to the operation of the School District, Grants and Entitlements provide a greater percentage of revenue for governmental activities. The greatest amount generated by Grants and Entitlements is income from the School Foundation Program. School Foundation income is determined by the number of students attending the School District.

**Wayne County Joint Vocational School District**

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

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**School District's Funds**

Information regarding the School District's major funds can be found in the Notes to the Basic Financial Statements, Summary of Significant Accounting Policies. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$16,128,181 and expenditures of \$14,632,622.

The net change in fund balance in the general fund was \$698,150. The increase was primarily due to an increase in tax collections due to a levy passage.

The net change in fund balance in the permanent improvement fund was \$879,154. The increase was primarily due to an increase in property taxes for a levy that was passed for capital improvements.

**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, there were minor changes to the School District general fund budget. The School District bases its budgets according to needs of programs and functions. Supervisors of departments are responsible to oversee budgets and control spending. This provides for flexibility in spending between programs each school year.

For the general fund, actual revenue of \$11.6 million was over final budget estimates of \$11.5 million. Of the \$111,991 increase, most was attributable to revenues generated through taxes received during the year. These revenues are conservatively budgeted.

Final appropriations of \$11.6 million were \$523,896 greater than actual expenditures of the \$11.1 million. This net favorable variance was mainly the result of spending less than estimated in salaries and benefits. Employees retiring or resigning were replaced with employees earning less and, in some cases, positions were not filled.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2008, the School District had \$4.9 million invested in land and land improvements, buildings and building improvements, furniture, equipment, vehicles, and construction in progress. Table 4 shows fiscal year 2008 balances compared with 2007. See Note 8 for additional information on capital assets.

**Wayne County Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*

**(Table 4)**  
**Capital Assets at June 30**  
**(Net of Depreciation)**

	Governmental Activities	
	2008	2007
Land	\$ 354,000	\$ 354,000
Construction in Progress	353,458	194,329
Land Improvements	39,571	44,336
Buildings and Improvements	2,899,284	3,031,561
Furniture and Equipment	1,186,849	1,181,739
Vehicles	42,511	51,845
Totals	\$ 4,875,673	\$ 4,857,810

The primary factor which caused the increase in capital assets was additions exceeding depreciation expense.

Ohio law requires school districts to set aside 3% of certain revenues for capital improvements and an additional 3% for textbooks. For fiscal year 2008, this amounted to \$123,009 for each set aside. The School District has qualifying disbursements or offsets exceeding these requirements for capital improvements and textbooks (including instructional materials). Therefore, there is no need to carry over any amounts into the next school year to meet the requirements of law.

**Debt**

At June 30, 2008, the School District had \$0 in debt outstanding. See Note 10 for additional information on outstanding long-term obligations of the School District.

**School District Outlook**

The Wayne County Joint Vocational School District continues to have a positive financial outlook and will for the next few years unless changes in state and federal laws decreases income. The School District is on the state foundation guarantee so that basic state aid does not decrease drastically from one school year to the next due to declining enrollments.

As with any school district, the financial future of the School District is not without its challenges. Increases in expenses, especially in the area of salaries and benefits, are projected to continue and revenues are expected to remain at approximately the same levels for the General Fund. Our Adult Education Fund has the same challenges with increases in expenditures while the State has decreased funding due to budget problems. The voters of Wayne County did pass a .75 Mill Ten Year Levy to fund the OSFC Renovation Project. The levy will generate approximately \$1,526,000 in tax revenue per year and will be used to fund the local match of the \$30,000,000 plus renovation project.

## **Wayne County Joint Vocational School District**

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

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The community opinion of the School District is very strong and property taxpayers are willing to support its operation. However, the School District covers all of Wayne County and parts of four other counties with a voter base of over 60,000 voters. To convince a majority of these voters to support a new operating levy will take much work and the School District as a whole must continue to produce a solid education for all of its students, high school and adult.

The financial outlook for the School District is best summarized in the last paragraph of the Assumptions to the Five Year Forecast:

We believe that good management of our resources has allowed the School District to build a carry over in the General Fund of approximately \$4 million at the end of fiscal year 2008 without a new levy since 1987. Management will continue to carefully monitor funds available and spending to provide outstanding opportunities for our students while keeping costs within approved appropriations. A deficit balance is forecasted in the fiscal year 2013 school year and an operating levy may be needed prior to that fiscal year to avoid a deficit. Increased state and/or local funding may delay this need and likewise decreased state and/or local funding may accelerate the need. This Five Year Forecast does not include new monies or additional expenditures due to the Ohio School Facilities Project. Proceeds from the November 2007 .75 mill levy and expenditures are separate from the General Fund and accounted for in the Permanent Improvement Fund.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, 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 Jeffrey T. Slutz, Treasurer of Wayne County Joint Vocational School District, 518 West Prospect St., Smithville, Ohio 44677. Or e-mail at [WCCC\\_SLUTZ@tccsa.net](mailto:WCCC_SLUTZ@tccsa.net).

**Wayne County Joint Vocational School District**  
*Statement of Net Assets*  
*June 30, 2008*

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 7,423,414
Accrued Interest Receivable	16,162
Accounts Receivable	203,413
Intergovernmental Receivable	179,484
Taxes Receivable	6,135,768
Non-Depreciable Capital Assets	707,458
Depreciable Capital Assets, net	4,168,215
<i>Total Assets</i>	18,833,914
<b>LIABILITIES:</b>	
Accounts Payable	75,223
Contracts Payable	50,000
Accrued Wages and Benefits	874,552
Intergovernmental Payable	243,304
Accrued Vacation Leave Payable	75,546
Mature Compensated Absences Payable	23,849
Deferred Revenue	5,188,169
Long-Term Liabilities:	
Due Within One Year	84,158
Due in More Than One Year	832,754
<i>Total Liabilities</i>	7,447,555
<b>NET ASSETS:</b>	
Invested in Capital Assets	4,875,673
Restricted for Capital Outlay	2,789,021
Restricted for Other Purposes	138,260
Unrestricted	3,583,405
<i>Total Net Assets</i>	\$ 11,386,359

See accompanying notes to the basic financial statements.

**Wayne County Joint Vocational School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2008

	<u>Program Revenues</u>			<b>Net (Expense) Revenue and Changes in Net Assets</b>
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants, Contributions and Interest</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction:				
Regular	\$ 1,658,474	\$ 308,080	\$ 165,100	\$ (1,185,294)
Vocational	7,367,423	1,173,532	987,794	(5,206,097)
Adult/Continuing	226,802	207,780	344,217	325,195
Support Services:				
Pupils	566,291	0	263,016	(303,275)
Instructional Staff	1,476,474	250	90,890	(1,385,334)
Board of Education	47,359	0	0	(47,359)
Administration	1,039,229	0	0	(1,039,229)
Fiscal	449,346	0	8,676	(440,670)
Business	2,269	0	0	(2,269)
Operation and Maintenance of Plant	1,115,975	0	7,559	(1,108,416)
Pupil Transportation	59,570	0	0	(59,570)
Central	26,902	0	0	(26,902)
Operation of Non-Instructional Services	240,119	0	230,420	(9,699)
Food Service Operations	211,809	116,391	89,441	(5,977)
Extracurricular Activities	91	0	0	(91)
Interest and Fiscal Charges	2	0	0	(2)
<i>Total Governmental Activities</i>	<u>\$ 14,488,135</u>	<u>\$ 1,806,033</u>	<u>\$ 2,187,113</u>	<u>(10,494,989)</u>
General Revenues:				
Property Taxes, Levied for:				
General Purposes				4,392,029
Capital Projects				967,902
Grants and Entitlements not Restricted to Specific Programs				6,420,481
Gifts and Donations				26,212
Investment Earnings				264,668
Miscellaneous				86,316
<i>Total General Revenues</i>				<u>12,157,608</u>
<i>Change in Net Assets</i>				1,662,619
<i>Net Assets Beginning of Year</i>				<u>9,723,740</u>
<i>Net Assets End of Year</i>				<u>\$ 11,386,359</u>

See accompanying notes to the basic financial statements.

**Wayne County Joint Vocational School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2008*

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 4,100,033	\$ 104,770	\$ 2,551,237	\$ 667,374	\$ 7,423,414
Accrued Interest Receivable	16,162	0	0	0	16,162
Accounts Receivable	290	192,165	0	10,958	203,413
Interfund Receivable	218,632	0	0	0	218,632
Intergovernmental Receivable	0	0	0	179,484	179,484
Taxes Receivable	4,596,110	0	1,539,658	0	6,135,768
<i>Total Assets</i>	<u>\$ 8,931,227</u>	<u>\$ 296,935</u>	<u>\$ 4,090,895</u>	<u>\$ 857,816</u>	<u>\$ 14,176,873</u>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 56,232	\$ 7,582	\$ 0	\$ 11,409	\$ 75,223
Contracts Payable	50,000	0	0	0	50,000
Accrued Wages and Benefits	801,358	38,953	0	34,241	874,552
Interfund Payable	0	0	0	218,632	218,632
Intergovernmental Payable	202,869	23,435	0	17,000	243,304
Vacation Payable	72,453	3,093	0	0	75,546
Mature Compensated Absences Payable	0	23,849	0	0	23,849
Deferred Revenue	4,123,598	17,496	1,381,370	174,525	5,696,989
<i>Total Liabilities</i>	5,306,510	114,408	1,381,370	455,807	7,258,095
<b>FUND BALANCES:</b>					
Reserved:					
Reserved for Encumbrances	293,886	41,944	1,312,763	23,650	1,672,243
Reserved for Property Taxes	472,512	0	158,288	0	630,800
Unreserved, Undesignated, Reported in:					
General Fund	2,858,319	0	0	0	2,858,319
Special Revenue Funds	0	140,583	0	378,359	518,942
Capital Projects Funds	0	0	1,238,474	0	1,238,474
<i>Total Fund Balances</i>	<u>3,624,717</u>	<u>182,527</u>	<u>2,709,525</u>	<u>402,009</u>	<u>6,918,778</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 8,931,227</u>	<u>\$ 296,935</u>	<u>\$ 4,090,895</u>	<u>\$ 857,816</u>	<u>\$ 14,176,873</u>

See accompanying notes to the basic financial statements.

**Wayne County Joint Vocational School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets Governmental Activities  
 June 30, 2008*

Total Governmental Fund Balances	\$	6,918,778
 <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.		4,875,673
Other long-term assets are not available to pay for current- period expenditures and therefore, are deferred in the funds.		
Grants	\$ 174,525	
Adult Education	17,496	
Delinquent Property Taxes	316,799	508,820
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Early Retirement Incentive Payable	(75,756)	
Compensated Absences	(841,156)	(916,912)
 Net Assets of Governmental Activities	 \$	 <u><u>11,386,359</u></u>

See accompanying notes to the basic financial statements.

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

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Property and Other Local Taxes	\$ 4,594,156	\$ 0	\$ 888,406	\$ 0	\$ 5,482,562
Intergovernmental	6,732,880	595,968	92,512	1,078,711	8,500,071
Interest	242,322	0	22,196	150	264,668
Tuition and Fees	0	1,039,286	0	132,587	1,171,873
Rent	125	0	0	0	125
Gifts and Donations	0	0	0	26,212	26,212
Customer Sales and Services	135,626	417,202	0	128,176	681,004
Miscellaneous	1,666	0	0	0	1,666
<i>Total Revenues</i>	<u>11,706,775</u>	<u>2,052,456</u>	<u>1,003,114</u>	<u>1,365,836</u>	<u>16,128,181</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	1,499,852	0	0	148,913	1,648,765
Vocational	5,612,941	1,520,105	0	163,936	7,296,982
Adult/Continuing	0	0	0	243,213	243,213
<b>Support Services:</b>					
Pupils	398,513	0	0	165,586	564,099
Instructional Staff	817,158	397,791	0	249,159	1,464,108
Board of Education	47,359	0	0	0	47,359
Administration	980,537	52,137	0	51,774	1,084,448
Fiscal	446,718	0	14,831	300	461,849
Business	2,269	0	0	0	2,269
Operation and Maintenance of Plant	1,090,625	26,538	0	14,208	1,131,371
Pupil Transportation	20,129	25,042	0	5,064	50,235
Central	0	0	0	26,902	26,902
Operation of Non-Instructional Services	0	4,383	0	235,736	240,119
Food Service Operations	0	0	0	207,284	207,284
Extracurricular Activities	0	0	0	91	91
Capital Outlay	50,000	0	109,129	0	159,129
<b>Debt Service:</b>					
Principal	0	0	0	4,397	4,397
Interest and Fiscal Charges	0	0	0	2	2
<i>Total Expenditures</i>	<u>10,966,101</u>	<u>2,025,996</u>	<u>123,960</u>	<u>1,516,565</u>	<u>14,632,622</u>
<i>Excess (deficiency) of Revenues Over (Under) Expenditures</i>	740,674	26,460	879,154	(150,729)	1,495,559
<b>OTHER FINANCING SOURCES AND (USES):</b>					
Transfers In	0	0	0	42,524	42,524
Transfers Out	(42,524)	0	0	0	(42,524)
<i>Total Other Financing Sources and (Uses)</i>	<u>(42,524)</u>	<u>0</u>	<u>0</u>	<u>42,524</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	698,150	26,460	879,154	(108,205)	1,495,559
<i>Fund Balance at Beginning of Year</i>	<u>2,926,567</u>	<u>156,067</u>	<u>1,830,371</u>	<u>510,214</u>	<u>5,423,219</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,624,717</u>	<u>\$ 182,527</u>	<u>\$ 2,709,525</u>	<u>\$ 402,009</u>	<u>\$ 6,918,778</u>

See accompanying notes to the basic financial statements.

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

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Net Change in Fund Balances - Total Governmental Funds	\$	1,495,559
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*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. The amount by which capital asset additions exceeded depreciation in the current period.

Capital Asset Additions	\$ 398,578	
Current Year Depreciation	(380,715)	17,863

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

Grants	127,707	
Adult Education	17,496	
Delinquent Property Taxes	(122,630)	22,573

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

Loan Principal		4,397
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Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental funds.

Compensated Absences	31,215	
Vacation Payable	65,760	
Early Retirement Incentive Payable	25,252	122,227

Change in Net Assets of Governmental Activities	\$	<u>1,662,619</u>
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**Wayne County Joint Vocational School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
For the Fiscal Year Ended June 30, 2008

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 4,356,000	\$ 4,460,000	\$ 4,468,985	\$ 8,985
Intergovernmental	6,577,000	6,660,000	6,732,880	72,880
Interest	200,000	250,000	255,031	5,031
Rent	0	0	125	125
Customer Sales and Services	15,000	30,000	135,626	105,626
Miscellaneous	75,000	82,500	1,844	(80,656)
<b>Total Revenues</b>	<b>11,223,000</b>	<b>11,482,500</b>	<b>11,594,491</b>	<b>111,991</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	1,589,000	1,609,000	1,500,303	108,697
Vocational	5,971,324	5,862,824	5,746,519	116,305
<b>Support Services:</b>				
Pupils	407,750	411,750	401,600	10,150
Instructional Staff	898,724	899,224	844,816	54,408
Board of Education	54,073	54,073	49,373	4,700
Administration	965,201	999,201	946,644	52,557
Fiscal	422,957	446,957	438,587	8,370
Operation and Maintenance of Plant	1,274,371	1,310,371	1,151,954	158,417
Pupil Transportation	30,000	30,000	19,708	10,292
<b>Total Expenditures</b>	<b>11,613,400</b>	<b>11,623,400</b>	<b>11,099,504</b>	<b>523,896</b>
Excess of Revenues Over (Under) Expenditures	(390,400)	(140,900)	494,987	635,887
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Advances In	20,000	298,821	298,821	0
Advances Out	(20,000)	(315,000)	(218,632)	96,368
Transfers Out	(20,000)	(45,000)	(42,524)	2,476
<b>Total Other Financing Sources and (Uses)</b>	<b>(20,000)</b>	<b>(61,179)</b>	<b>37,665</b>	<b>98,844</b>
Net Change in Fund Balances	(410,400)	(202,079)	532,652	734,731
Fund Balance (Deficit) at Beginning of Year	3,034,836	3,034,836	3,034,836	0
Prior Year Encumbrances Appropriated	194,897	194,897	194,897	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 2,819,333</b>	<b>\$ 3,027,654</b>	<b>\$ 3,762,385</b>	<b>\$ 734,731</b>

See accompanying notes to the basic financial statements.

**Wayne County Joint Vocational School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Adult Education Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 445,000	\$ 445,000	\$ 595,968	\$ 150,968
Tuition and Fees	1,140,000	1,138,500	996,263	(142,237)
Customer Sales and Services	457,071	416,500	417,202	702
<b>Total Revenues</b>	<u>2,042,071</u>	<u>2,000,000</u>	<u>2,009,433</u>	<u>9,433</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Vocational	1,557,521	1,495,637	1,480,073	15,564
<b>Support Services:</b>				
Instructional Staff	441,795	423,515	414,477	9,038
Administration	54,118	51,618	50,487	1,131
Fiscal	1,000	1,000	660	340
Operation and Maintenance of Plant	36,510	36,510	35,837	673
Pupil Transportation	24,075	29,520	29,389	131
Operation of Non-Instructional Services	8,125	6,133	5,049	1,084
<b>Total Expenditures</b>	<u>2,123,144</u>	<u>2,043,933</u>	<u>2,015,972</u>	<u>27,961</u>
Excess of Revenues Over (Under) Expenditures	(81,073)	(43,933)	(6,539)	37,394
<b>OTHER FINANCING SOURCES AND (USES):</b>				
Advances Out	0	0	(105,000)	(105,000)
<b>Total Other Financing Sources and (Uses)</b>	<u>0</u>	<u>0</u>	<u>(105,000)</u>	<u>(105,000)</u>
Net Change in Fund Balances	(81,073)	(43,933)	(111,539)	(67,606)
Fund Balance (Deficit) at Beginning of Year	126,470	126,470	126,470	0
Prior Year Encumbrances Appropriated	43,933	43,933	43,933	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 89,330</u>	<u>\$ 126,470</u>	<u>\$ 58,864</u>	<u>\$ (67,606)</u>

See accompanying notes to the basic financial statements.

**Wayne County Joint Vocational School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Fund*  
*June 30, 2008*

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	<u><b>Agency Fund</b></u>
<b>ASSETS:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 95,303
Accounts Receivable	<u>6,096</u>
<i>Total Assets</i>	<u><u>\$ 101,399</u></u>
<b>LIABILITIES:</b>	
Undistributed Monies	\$ 3,369
Due to Students	<u>98,030</u>
<i>Total Liabilities</i>	<u><u>\$ 101,399</u></u>

See accompanying notes to the basic financial statements.

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**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT**

The Wayne County Joint Vocational School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under an appointed fifteen-member Board of Education and provides educational services as mandated by state and/or federal agencies. The Board controls one instructional/support facility staffed by 38 noncertificated employees, 106 certificated full-time teaching personnel and eight administrators who provide services to 737 students and other community members.

The School District provides more than instruction to its students. These additional services include student guidance, extracurricular, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These School District operations will be included as part of the reporting entity.

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

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, the levying of taxes or the financial statements would be misleading if data from the component unit were not included. The School District has no component units.

**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) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

## Wayne County Joint Vocational School District

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

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### ***Implementation of New Accounting Policies***

For the year ended 2008, the School District has implemented GASB Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*”, GASB Statement No. 48, “*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*”, GASB Statement No. 49, “*Accounting and Financial Reporting for Pollution Remediation Obligations*”, and GASB Statement No. 50, “*Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27.*”

GASB Statement No. 45 provides guidance on all aspects of OPEB reporting by employers. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

GASB Statement No. 48 provides guidance on accounting for sales and pledges of receivables and future revenues. The Statement also requires governments to disclose in the notes to the financial statements the amount of future revenues that have been pledged or sold.

GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts.

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. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of GASB Statement No. 25, “*Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*”, and GASB Statement No. 27, “*Accounting for Pensions by State and Local Governmental Employers*”, to conform with requirements of GASB Statement No. 43, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*”, and GASB Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*”.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the School District.

### **Basis of Presentation**

The School District’s basic financial statements consist of government-wide statements, including a statement of net assets, 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 primary government, except for fiduciary funds. The effect of interfund activity, within governmental type activities has been removed from these statements.

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## Wayne County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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The statement of net assets presents the financial condition of the governmental activities of the School District at 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 restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. 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 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 fund type.

### **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 self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental and fiduciary.

### **Governmental Funds**

Governmental funds focus 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* – The general fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Adult Education* – The adult education accounts for educational opportunities offered on a tuition basis to adults living within the community.

*Permanent Improvement* – The permanent improvement fund is used to account for all transactions related to the acquiring, constructing, or improving major capital facilities.

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

## Wayne County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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### **Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The School District's fiduciary fund category consists of only one classification: the agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds primarily account for student activities.

### **Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and liabilities associated with the operation of the School District are included on the statement of 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 balance 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.

Fiduciary funds are reported using the economic resources management and are excluded from the government-wide financial statements.

### **Basis of Accounting**

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

### **Revenues – Exchanges 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 and "available" means collectible within the current fiscal year or 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 the fiscal year end.

## Wayne County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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Nonexchange transactions, in which the School District receives value without directly giving equal in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted: matching requirements, in which the 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, tuition fees, customer sales and service, investment earnings and grants and entitlements.

### **Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2008, and delinquent property taxes, whose availability is indeterminable and which are intended 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.

### **Expenditures/Expenses**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants and Contributions" program revenue account.

Under the modified accrual, 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 the governmental funds.

### **Budgetary Process**

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

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**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2008.

The appropriation resolution is subject to amendment by the Board throughout the 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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**Encumbrances**

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the fund financial statements, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

**Lapsing of Appropriations**

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated.

**Cash and Investments**

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 School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2008, investments were limited to repurchase agreements and certificates of deposit.

Nonparticipating investment contracts such as overnight repurchase agreements and non-negotiable certificates of deposit are reported at cost.

Following Ohio statutes, the Board of Education has by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue has been credited to the general fund, permanent improvement fund, and the food service fund. Interest credited to the general fund during fiscal year 2008 amounted to \$242,322 which includes \$96,641 assigned from other School District funds.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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**Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, or laws of other governments or by imposing enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves. There were no restricted assets in fiscal year 2008.

**Capital Assets**

The School District's only capital assets are general capital assets. 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 on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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 capitalized. All reported capital assets except land and construction in process are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 years
Buildings and Improvements	15 - 30 years
Furniture and Equipment	8 - 20 years
Vehicles	5 - 15 years

**Compensated Absences**

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's 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.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "mature compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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**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 special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

**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, grantor or laws, or regulations of other governments. Net assets restricted for other purposes are primarily include instructional operations, food service operations and adult education.

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

**Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are 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.

**Interfund Transactions**

Transfers between governmental activities on the government-wide statements are eliminated. 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.

On fund financial statements, receivables and payables resulting from short-term interfund loans and interfund services provided and used are classified as "interfund receivables/payables." Interfund balances are eliminated in the governmental activities column of the statement of net assets.

**Wayne County Joint Vocational School District**

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

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**Extraordinary and Special Items**

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

**Estimates**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balance are based upon 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 (Non-GAAP Basis) and Actual, presented for the general fund and adult education fund, is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and the fund financial statements are the following:

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. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balances for governmental fund types (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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 fund:

	Net Change in Fund Balance	
	General	Adult Education
GAAP Basis	\$ 698,150	\$ 26,460
Net Adjustment for Revenue Accruals	(112,288)	(43,024)
Net Adjustment for Expenditure Accruals	204,243	55,930
Advances In	298,821	0
Advances Out	(218,632)	(105,000)
Encumbrances (Budget Basis)	(337,642)	(45,905)
Budget Basis	<u>\$ 532,652</u>	<u>\$ (111,539)</u>

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**Wayne County Joint Vocational School District**

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

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**NOTE 4 – FUND DEFICITS**

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

	<u>Deficit</u> <u>Fund Balance</u>
Nonmajor Governmental Funds:	
Full Service Center	\$ 2,159
Vocational Education	86,452
Title I	43,578
Title VI	1,102
Drug Free School	816
Improving Teacher Quality	2,526

The deficits in the nonmajor governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposits maturing not later than 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 accounts, including passbook accounts. Interim monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the highest rating classifications by at least two nationally recognized rating agencies.

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

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

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105% of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**Cash on Hand**

At fiscal year end, the School District had \$275 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

**Deposits**

At fiscal year end, the carrying amount of the School District's deposits was \$4,393,442 and the bank balance was \$4,500,057. Of the bank balance:

1. \$300,000 was covered by federal depository insurance; and

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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2. \$4,200,057 was held in collateral pools with no specification for which such funds are held which is considered to be uninsured and uncollateralized. Although all State statutory requirements for the deposit of money has been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments**

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

**Credit Risk:** The School District's only investments during the fiscal year were in an overnight repurchase account, with a year end balance of \$3,125,000. This account is not rated by Standard & Poor's or Moody's Investors Service. The School District's policy doesn't address credit risk.

**Concentration of Credit Risk:** The School District places no limit on the amount the School District may invest in any one issuer. During the year, the School District's only investment was in an overnight repurchase account. These investments were secured with pledged collateral, held and in the name of the pledging institution in which the deposit and investments are held.

**NOTE 6- PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in a new fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real Property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35% 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 alternative payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and 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) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007 on the value as of December 31, 2006. For 2008, tangible personal property is assessed at 6.25 % of true value for property including inventory. This percentage 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.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunication companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The School District receives property taxes from Wayne, Medina, Holmes, Stark and Ashland counties. Stark and Ashland county tax collections are minimal. 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 year-end are available to finance the current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance at year-end was \$472,512 in the general fund and \$158,288 in the capital project funds and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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

	2007 Second Half		
	Residential/ Agriculture	Commercial/ Industrial	Public Utilities
Real Property:			
Wayne County	\$ 1,552,209,270	\$ 365,271,100	\$ 581,020
Medina County	7,185,950	10,924,200	2,310
Holmes County	34,818,020	4,414,520	0
Grand Total	<u>\$ 1,594,213,240</u>	<u>\$ 380,609,820</u>	<u>\$ 583,330</u>
%	70.90%	16.93%	0.03%
			Total Assessed
	General	Public Utilites	Value
Tangible Personal Property Tax:			
Wayne County	\$ 198,204,140	\$ 63,839,460	\$ 2,180,104,990
Medina County	2,091,720	557,730	20,761,910
Holmes County	6,527,030	1,633,400	47,392,970
Grand Total	<u>\$ 206,822,890</u>	<u>\$ 66,030,590</u>	<u>\$ 2,248,259,870</u>
%	9.20%	2.94%	100.00%
Tax rate per \$1,000 of Assessed Valuation	\$ 4.10		

	2008 First Half		
	Residential/ Agriculture	Commercial/ Industrial	Public Utilities
Real Property:			
Wayne County	\$ 1,630,623,930	\$ 379,989,340	\$ 705,120
Medina County	7,942,320	10,049,590	2,490
Holmes County	38,685,710	4,674,310	1,473,930
Grand Total	<u>\$ 1,677,251,960</u>	<u>\$ 394,713,240</u>	<u>\$ 2,181,540</u>
%	73.98%	17.41%	0.10%
			Total Assessed
	General	Public Utilites	Value
Tangible Personal Property Tax:			
Wayne County	\$ 136,815,335	\$ 51,884,150	\$ 2,200,017,875
Medina County	1,158,260	513,510	19,666,170
Holmes County	2,891,050	0	47,725,000
Grand Total	<u>\$ 140,864,645</u>	<u>\$ 52,397,660</u>	<u>\$ 2,267,409,045</u>
%	6.21%	2.30%	100.00%
Tax rate per \$1,000 of Assessed Valuation	\$ 4.10		

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2008 consisted of taxes, accounts, interfund, and intergovernmental. 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.

**NOTE 8 – CAPITAL ASSETS**

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

	Balance 07/01/07	Additions	Disposals	Balance 06/30/08
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 354,000	\$ 0	\$ 0	\$ 354,000
Construction in Progress	194,329	159,129	0	353,458
Total Capital Assets, not being depreciated	548,329	159,129	0	707,458
<i>Capital Assets, being depreciated:</i>				
Land Improvements	380,391	0	0	380,391
Buildings and Improvements	7,448,433	0	0	7,448,433
Furniture and Equipment	4,169,057	239,449	0	4,408,506
Vehicles	435,745	0	0	435,745
Total Capital Assets, being depreciated	12,433,626	239,449	0	12,673,075
Less Accumulated Depreciation:				
Land Improvements	(336,055)	(4,765)	0	(340,820)
Buildings and Improvements	(4,416,872)	(132,277)	0	(4,549,149)
Furniture and Equipment	(2,987,318)	(234,339)	0	(3,221,657)
Vehicles	(383,900)	(9,334)	0	(393,234)
Total Accumulated Depreciation	(8,124,145)	(380,715)	0	(8,504,860)
Total Capital Assets being depreciated, net	4,309,481	(141,266)	0	4,168,215
Governmental Capital Assets, net	\$ 4,857,810	\$ 17,863	\$ 0	\$ 4,875,673

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,558
Vocational	341,710
Adult/Continuing	1,887
Support Services:	
Instructional Staff	140
Administration	1,616
Fiscal	2,253
Operation and Maintenance Plant	17,528
Pupil Transportation	9,335
Food Service Operations	4,688
Total Depreciation Expense	<u><u>\$ 380,715</u></u>

**NOTE 9 – RISK MANAGEMENT**

**General Insurance**

The School District is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. The School District has a comprehensive property and casualty policy with a deductible of \$1,000 per incident. The School District's vehicle liability insurance policy limit is \$1,000,000 for each occurrence with a \$250 collision deductible. All administrators and employees are covered under a School District liability policy. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction of coverage from the prior fiscal year.

**Fidelity Bond**

The Board President and Superintendent each have a \$20,000 position bond. The Treasurer is covered under a surety bond in the amount of \$20,000. All other school employees who are responsible for handling funds are covered by a \$10,000 fidelity bond.

**Workers' Compensation**

The School District pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The School District is a member of the Ohio School Board Association Group Rating System, an insurance purchasing pool. This rate is calculated based on accident history and administrative costs.

**Wayne County Joint Vocational School District**

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

**NOTE 10 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations of the School District from July 1, 2007 through June 30, 2008, were as follows:

	<u>Outstanding 7/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 6/30/2008</u>	<u>Due Within One Year</u>
<b>Governmental Type Activities:</b>					
Food Processing Building Loan 0.00%, 12/02 - 12/07	\$ 4,397	\$ 0	\$ 4,397	\$ 0	\$ 0
Total Loans Payable	<u>4,397</u>	<u>0</u>	<u>4,397</u>	<u>0</u>	<u>0</u>
<i>Other Long-Term Liabilities</i>					
Compensated Absences Payable	872,371	89,010	120,225	841,156	58,906
Early Retirement Incentive Payable	101,008	0	25,252	75,756	25,252
Total Other Long-Term Liabilities	<u>973,379</u>	<u>89,010</u>	<u>145,477</u>	<u>916,912</u>	<u>84,158</u>
Total Governmental Type Activities Long-Term Liabilities	<u>\$ 977,776</u>	<u>\$ 89,010</u>	<u>\$ 149,874</u>	<u>\$ 916,912</u>	<u>\$ 84,158</u>

The debt service fund is being used to repay the Food Processing Building Loan. Compensated absences payable will be paid from the fund from which the employee is paid. The early retirement incentive payable will be paid from the employee severance fund. The Food Processing Building Loan is an interest free loan from the State of Ohio. The loan was made in fiscal year 1993 in the amount of \$181,111. This loan was paid in full during the fiscal year.

**NOTE 11 – INTERFUND BALANCES**

The account balances by fund of “Interfund Receivable” and “Interfund Payable” as of June 30, 2008 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 218,632	\$ 0
Other Governmental Funds	0	218,632
Total	<u>\$ 218,632</u>	<u>\$ 218,632</u>

Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2008, all interfund payables outstanding are anticipated to be repaid in fiscal year 2009.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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The following is a summarized breakdown of the School District’s transfers for fiscal year 2008:

Fund	Transfers In	Transfers Out
General Fund	\$ 0	\$ (42,524)
Other Governmental Funds	42,524	0
Total	<u>\$ 42,524</u>	<u>\$ (42,524)</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

**NOTE 12 – PENSION PLANS**

**School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (“SERS”), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS’ website at [www.ohsers.org](http://www.ohsers.org) under Forms and Publications.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% 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% 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, up to statutory maximum amounts, by the SERS’ Retirement Board. The District’s contributions to SERS for the years ended June 30, 2008, 2007 and 2006 were \$198,185, \$176,398 and \$204,248, respectively; 86% has been contributed for fiscal year 2008 and 100% for the fiscal years 2007 and 2006. \$41,313 represents the unpaid contributions for fiscal year 2008, and is recorded as a liability within the respective funds.

**State Teachers Retirement System**

The District participates in the State Teachers Retirement System of Ohio (“STRS Ohio”), a cost-sharing, multiple-employer defined benefit pension plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://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 divided by an actuarially determined annuity factor. The DC Plan

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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allows members to allocate their member contributions and employer contributions equal to 10.5% of earned compensation among various investment accounts. 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 DB 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 of 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.

For the fiscal year ended June 30, 2008, plan members were required to contribute 10% of their annual covered salaries. The District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2007 (the latest information available), the portion used to fund pension obligations was also 13%. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employer contributions.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2008, 2007 and 2006 were \$872,388, \$815,260 and \$799,486, respectively; 86% has been contributed for fiscal year 2008 and 100% for the fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2007 were \$17,354 made by the School District and \$38,558 made by the plan members.

**NOTE 13 – POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio ("STRS Ohio"), and to retired non-certified employees and their dependents through the School Employees Retirement System ("SERS"). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2008, 2007 and 2006. The District's contributions for fiscal years ended June 30, 2008, 2007 and 2006 were \$67,107, \$56,487 and \$65,405, respectively.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2007 (the latest information available), the balance in the Fund was \$4.1 billion. For the fiscal year ended June 30, 2007, net health care costs paid by STRS Ohio were \$265,558,000 and STRS Ohio had 122,934 eligible benefit recipients.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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In addition to a cost-sharing multiple-employer defined benefit pension plan, SERS administers two postemployment benefit plans, the Medicare Part B Plan and the Health Care Plan. The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2007 was \$93.50; SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2007 (the latest information available), the actuarially required allocation was .68%. The District's contributions for the year ended June 30, 2008 were \$14,280, which equaled the required contributions for the year.

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2007, the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation (the latest information available), was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The District's contributions for the years ended June 30, 2008, 2007 and 2006 were \$190,613, \$182,147 and \$176,283, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2007 (the latest information available), the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Forms and Publications.

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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**NOTE 14 – OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees on the anniversary of their employment and must be used within the next twelve months. Teachers and administrators do not earn vacation time. All employees of the Board of Education earn sick leave at the rate of one and one-fourth days per month. Upon retirement and with 10 years of service or more at the School District, nonclassified employees shall receive severance payments equal to 25% of accumulated unused sick leave and classified employees shall receive severance payments equal to 30% of accumulated unused sick leave.

**NOTE 15 – JOINTLY GOVERNED ORGANIZATION**

The Midland Council of Governments is a jointly governed organization among twenty-two boards of education. The Council of Governments was formed to provide efficient and cost effective computer and data processing services to member boards. Financial support for the Council of Governments is provided by member fees levied according to the number of students within each member's respective district. The Executive Committee determines and sets the fees for all services. During the year ended June 30, 2008 the School District paid approximately \$43,433 to Midland for basic service charges.

Representation on the Council of Governments consists of one member appointed by each member board of education. The representative shall be the Superintendent, Assistant Superintendent or Treasurer of the member district board of education. The Council of Governments is governed by the Executive Committee who is elected for two year terms except the position of Fiscal Agent Superintendent which is a permanent appointment. The Executive Committee consists of seven members. The members are two Superintendents, two Treasurers, two members-at-large and the Fiscal Agent Superintendent.

**NOTE 16 – CONTINGENCIES**

**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 is 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.

**NOTE 17 – 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 acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

**Wayne County Joint Vocational School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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	Capital Improvement Reserve	Textbook Instructional Materials Reserve	Total
Set Aside Carry Over Balance as of June 30, 2007	\$ 0	\$ (2,187,660)	\$ (2,187,660)
Current Year Set-Aside Requirement	123,009	123,009	246,018
Qualifying Disbursements	(161,763)	(378,783)	(540,546)
Totals	<u>\$ (38,754)</u>	<u>\$ (2,443,434)</u>	<u>\$ (2,482,188)</u>
Cash Balance Carried Forward FY 2009	<u>\$ 0</u>	<u>\$ (2,443,434)</u>	<u>\$ (2,443,434)</u>
Amount to Restrict for Set-Asides			<u>\$ 0</u>
Amount to Set-Aside			<u>\$ 0</u>

The School District had qualifying disbursements during the year that reduced the capital improvements and textbook reserve set-asides below zero. These extra amounts may only be used to reduce the set-aside requirement of future years for the purchase of textbooks and/or instructional materials. Negatives are therefore not presented as being carried forward to the next fiscal year for the other set-aside.



December 22, 2008

To the Board of Education  
Wayne County Joint Vocational School District  
Smithville, Ohio

**INDEPENDENT AUDITOR'S 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**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Wayne County Joint Vocational School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Wayne County Joint Vocational School District  
Independent Auditor's 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*  
December 22, 2008

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.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, board of education, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*Hea & Associates, Inc.*



December 22, 2008

To the Board of Education  
Wayne County Joint Vocational School District  
Smithville, Ohio

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of Wayne County Joint Vocational School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Wayne County Joint Vocational School District's major federal programs are 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 each of its major federal programs is the responsibility of Wayne County Joint Vocational School District's management. Our responsibility is to express an opinion on Wayne County Joint Vocational School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *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 Wayne County Joint Vocational School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Wayne County Joint Vocational School District's compliance with those requirements.

In our opinion, Wayne County Joint Vocational School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Wayne County Joint Vocational School District  
Independent Auditor's Report on Compliance with  
Requirements Applicable to Each Major Program and  
Internal Control over Compliance in Accordance with  
OMB Circular A-133  
December 22, 2008

Internal Control Over Compliance

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

A *control deficiency* in an entity'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 entity'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 entity'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 any entity'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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Wayne County Joint Vocational School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 22, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the board of education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*Kea Associates, Inc.*

**WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/Pass-Through Grantor/Program Title	Grant Year	CFDA Number	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
<b>U. S. Department of Education (passed through the Ohio Department of Education):</b>						
ABLE FY07 (C)	2007	84.002	\$ (23,086)	\$ 0	\$ 29,830	\$ 0
ABLE EL/Civics FY07 (C)	2007	84.002	(7,036)	0	2,463	0
ABLE FY08	2008	84.002	174,918	0	164,518	0
ABLE EL/Civics FY08	2008	84.002	42,516	0	36,776	0
Total Adult Basic Literacy Education			187,312	0	233,587	0
Vocational Ed. - Carl D. Perkins - Secondary FY07	2007	84.048	102,320	0	38,655	0
Vocational Ed. - Carl D. Perkins - Adult FY07	2007	84.048	7,101	0	0	0
Vocational Ed. - Carl D. Perkins - Secondary FY08	2008	84.048	208,670	0	264,395	0
Vocational Ed. - Carl D. Perkins - Adult FY08	2008	84.048	63,944	0	71,325	0
Total Vocational Education			382,035	0	374,375	0
Safe and Drug-Free Schools, Title IV-A FY07	2007	84.186	1,075	0	0	0
Safe and Drug-Free Schools, Title IV-A FY08	2008	84.186	820	0	1,634	0
Total Safe and Drug-Free Schools			1,895	0	1,634	0
Even Start FY07	2007	84.213	7,559	0	5,864	0
Even Start FY08	2008	84.213	212,595	0	249,746	0
Total Even Start			220,154	0	255,610	0
Innovative Education Program, Title V FY07	2007	84.298	740	0	0	0
Innovative Education Program, Title V FY08	2008	84.298	122	0	1,224	0
Total Innovative Education Program, Title V			862	0	1,224	0
Improving Teacher Quality, Title II-A FY07	2007	84.367	162	0	0	0
Improving Teacher Quality, Title II-A FY08	2008	84.367	1,930	0	4,454	0
Total Improving Teacher Quality, Title II-A			2,092	0	4,454	0
Total Ohio Department of Education Pass-Through			794,350	0	870,884	0
<b>U.S. Department of Education (passed through the Ohio Rehabilitation Services Commission):</b>						
Vocational Rehabilitation Grants to States	2008	84.126	29,255	0	29,255	0
<b>U.S. Department of Education (Direct Awards):</b>						
<i>Student Financial Assistance Cluster:</i>						
Pell Grant	2008	84.063	230,420	0	230,420	0
Supplemental Educational Opportunity Grant	2008	84.007	15,000	0	15,000	0
Total Student Financial Assistance Cluster			245,420	0	245,420	0
Total U.S. Department of Education			1,069,025	0	1,145,559	0
<b>U.S. Department of Labor (passed through the Ohio Department of Education):</b>						
WIA Adult Program	2008	17.258	65,921	0	65,921	0
<b>U.S. Department of Labor (passed through the Ohio Department of Job and Family Services):</b>						
Workers Trade Adjustment Assistance	2008	17.245	136,881	0	136,881	0
Total U.S. Department of Labor			202,802	0	202,802	0
<b>U. S. Department of Agriculture (passed through the Ohio Department of Education):</b>						
<i>Child Nutrition Cluster:</i>						
Nat'l School Lunch Prog. (Food Distribution) (A) (B)	2008	10.555	0	10,756	0	10,756
National School Lunch Program FY07 (B)	2007	10.555	5,875	0	5,875	0
National School Lunch Program FY08 (B)	2008	10.555	72,260	0	72,260	0
Total Child Nutrition Cluster			78,135	10,756	78,135	10,756
Total U.S. Department of Agriculture			78,135	10,756	78,135	10,756
Total Federal Assistance			\$ 1,349,962	\$ 10,756	\$ 1,426,496	\$ 10,756

- (A) Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).
- (B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.
- (C) The District did not expend the total budgeted amount during the available period, and therefore, carried forward the unused portion to the following year.

**WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**JUNE 30, 2008**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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A-133 Ref.

.505(d)

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control 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(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list):	Carl Perkins Vocational Education, CFDA #84.048
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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NONE

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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NONE



**Mary Taylor, CPA**  
Auditor of State

**WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

**WAYNE 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  
FEBRUARY 17, 2009**