



Dave Yost • Auditor of State

**ASHTABULA COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
ASHTABULA COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ashtabula County Joint Vocational School District
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To The Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ashtabula County Joint Vocational School District, Ashtabula County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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 Ashtabula County Joint Vocational School District, Ashtabula County, Ohio, as of June 30, 2010, and the respective changes in financial position, thereof and the budgetary comparison for the General 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 February 9, 2011, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards expenditures schedule is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

February 9, 2011

Ashtabula County Joint Vocational School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

As management of the Ashtabula County Joint Vocational School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- Net Assets of governmental activities increased in fiscal year 2010 from increases in grants received during the year offset by increases in instructional expenses.
- The School District is committed to meeting the academic needs of our students by providing them with updated instructional supplies, furniture and equipment to compete in a global environment. During fiscal year 2010, the School District purchased equipment and supplies for various vocational instructional programs. Some of these items are new computers, benches for the greenhouse, a used fire truck and fire turn-out gear for Public Safety, an x-ray machine for Health Care Technologies, a construction trailer for Carpentry, 18 engines for Vocational Readiness Programs, photography equipment for Graphic Arts, 3 Cub Cadet and 2 zero turn mowers for Power Tech, and 7 high definition Cameras for Satellite Multi-Media programs.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District. The School District received a Rural Energy for America Program Grant for \$52,041 to be used for computer labs. This was spread over fiscal year 2009 and fiscal year 2010. The Vocational Education Planning District Adult Grant decreased by about \$19,454 for fiscal year 2010; this grant is used for adult education. The fiscal year 2010 Vocational Education Planning District Secondary Grant decreased by \$5,331 and we also lost the Title V Innovative Education Grant for fiscal year 2010. Fiscal year 2009's grant was \$2,864. The District expended \$883,552 in four different Department of Job and Family Services Opportunities Grants and \$322,304 in various Adult Basic Literacy Grants in fiscal year 2010.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District basic financial statements comprise three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Ashtabula County Joint Vocational School District

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The government-wide financial statement distinguishes functions of the School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges (*business-type activities*). The School District has no business-type activities. The governmental activities of the School District include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the permanent improvement capital projects fund. All of the funds of the School District can be divided into two categories: governmental and fiduciary.

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 balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) 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 basic fund financial statements can be found on pages 16-20 of this report.

Fiduciary Fund The fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the School District's own programs. These funds use the accrual basis of accounting.

The basic fiduciary fund financial statement can be found on page 21 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-42 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's net assets for 2010 compared to 2009.

Assets exceeded liabilities at the close of the most recent fiscal year for the School District.

Ashtabula County Joint Vocational School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

(Table 1)
Net Assets
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Assets			
Current and Other Assets	\$16,728,591	\$16,220,818	\$507,773
Capital Assets	<u>3,764,014</u>	<u>3,839,609</u>	<u>(75,595)</u>
<i>Total Assets</i>	<u>20,492,605</u>	<u>20,060,427</u>	<u>432,178</u>
Liabilities			
Current Liabilities	3,925,305	3,844,216	(81,089)
Long-Term Liabilities			
Due within One Year	126,075	154,487	28,412
Due in More than One Year	<u>821,362</u>	<u>730,459</u>	<u>(90,903)</u>
<i>Total Liabilities</i>	<u>4,872,742</u>	<u>4,729,162</u>	<u>(143,580)</u>
Net Assets			
Invested in Capital Assets	3,764,014	3,839,609	(75,595)
Restricted for:			
Capital Projects	5,268,750	5,419,882	(151,132)
Other Purposes	811,526	687,324	124,202
Unrestricted	<u>5,775,573</u>	<u>5,384,450</u>	<u>391,123</u>
<i>Total Net Assets</i>	<u>\$15,619,863</u>	<u>\$15,331,265</u>	<u>\$288,598</u>

As one can see from the increase in overall net assets, the School District continues to provide the services that the School District citizens expect while maintaining the costs of providing those services during the current economic recession. Overall assets have increased due to the increase in cash and cash equivalents due to the School District continuing to bring in more revenues than expenditures. The decrease in capital assets is because current year depreciation exceeded current year additions.

The largest portion of the School District's net assets is subject to external restrictions on how they may be used, and therefore are restricted on the statement of net assets. An additional portion of the School District's net assets are unrestricted. It may be used to meet the government's ongoing obligations to citizens and creditors.

The vast majority of revenue supporting all activities is general revenue. The most significant portion of the general revenue is the grants and entitlements not restricted to specific programs. Ashtabula County Joint Vocational School proactively seeks out federal and State funding sources in the forms of grants to ensure that programs of the School District are properly funded. The remaining source of revenue lies in program revenues which are restricted in use to a specific program.

At the end of the current fiscal year, the School District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

Ashtabula County Joint Vocational School District

*Management's Discussion and Analysis
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Unaudited*

Table 2 shows the changes in net assets for fiscal year 2010 compared to 2009.

(Table 2)
Change in Net Assets
Governmental Activities

	2010	2009	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,189,734	\$1,202,932	(\$13,198)
Operating Grants, Interest and Contributions	3,018,797	2,569,088	449,709
Capital Grants	105,780	93,440	12,340
<i>Total Program Revenues</i>	<u>4,314,311</u>	<u>3,865,460</u>	<u>448,851</u>
General Revenues			
Property Taxes	4,002,217	4,134,680	(132,463)
Grants and Entitlements not Restricted	7,011,114	6,501,446	509,668
Investment Earnings	87,852	259,710	(171,858)
Miscellaneous	72,492	157,691	(85,199)
<i>Total General Revenues</i>	<u>11,173,675</u>	<u>11,053,527</u>	<u>120,148</u>
<i>Total Revenues</i>	<u>15,487,986</u>	<u>14,918,987</u>	<u>568,999</u>
Program Expenses			
Current:			
Instruction:			
Regular	828,930	786,863	(42,067)
Special	392,313	356,221	(36,092)
Vocational	7,716,674	7,616,842	(99,832)
Adult/Continuing	351,340	322,467	(28,873)
Student Intervention Services	709,664	325,991	(383,673)
Support Services:			
Pupils	570,699	595,945	25,246
Instructional Staff	1,504,401	1,433,793	(70,608)
Board of Education	57,251	60,700	3,449
Administration	1,092,833	1,225,200	132,367
Fiscal	457,224	407,337	(49,887)
Business	67,757	86,687	18,930
Operation and Maintenance of Plant	1,047,321	1,086,905	39,584
Pupil Transportation	45,908	37,813	(8,095)
Central	34,185	31,866	(2,319)
Extracurricular Activities	23,161	31,695	8,534
Operation of Non-Instructional Services:			
Food Service Operations	297,689	240,391	(57,298)
Other Non-Instructional Services	2,038	2,091	53
<i>Total Program Expenses</i>	<u>15,199,388</u>	<u>14,648,807</u>	<u>(550,581)</u>
<i>Increase in Net Assets</i>	288,598	270,180	18,418
Net Assets Beginning of Year	<u>15,331,265</u>	<u>15,061,085</u>	<u>270,180</u>
<i>Net Assets End of Year</i>	<u>\$15,619,863</u>	<u>\$15,331,265</u>	<u>\$288,598</u>

Ashtabula County Joint Vocational School District

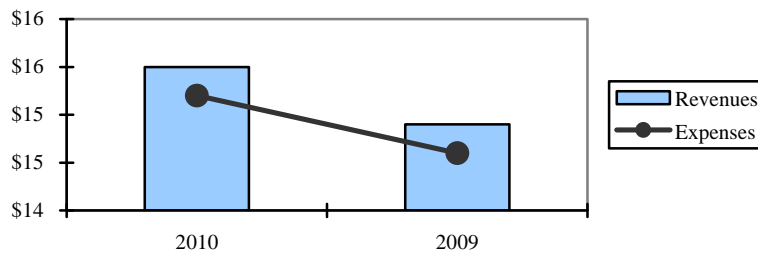
*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

Graph 1

Revenues and Expenses
(In Millions)

	2010	2009
Revenues	\$15.5	\$14.9
Expenses	15.2	14.6

**Revenues and Expenses
(in millions)**



The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay less than \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property tax revenues continue to decrease, while overall revenues increased due to increases in intergovernmental monies.

Overall, the School District experienced an increase in program expenses over the prior fiscal year. Instruction expenses comprise the largest portion of all program expenses for the School District and accounted for the largest increase. These expenses pay for teacher salary and benefits which increase at set levels every year through negotiated agreements. Negotiated raises between 2 and 3 percent were given to certified and classified employees. In addition insurance rates for medical and vision insurance premiums increased 2 percent and 4.4 percent, respectively.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2010 compared to 2009.

Ashtabula County Joint Vocational School District

*Management's Discussion and Analysis
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Unaudited*

(Table 3)

Total and Net Cost of Program Services
Governmental Activities

	2010		2009	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$9,998,921	\$6,761,124	\$9,408,384	\$6,646,298
Support Services:				
Pupils and Instructional Staff	2,075,100	1,729,910	2,029,738	1,740,295
Board of Education, Administration, Fiscal and Business	1,675,065	1,242,071	1,779,924	1,240,030
Operation and Maintenance of Plant	1,047,321	1,032,196	1,086,905	1,062,135
Pupil Transportation	45,908	45,908	37,813	37,813
Central	34,185	26,899	31,866	23,866
Extracurricular Activities	23,161	481	31,695	2,633
Operation of Non- Instructional Services:				
Food Service Operations	297,689	44,450	240,391	28,186
Other Non-Instructional Services	2,038	2,038	2,091	2,091
<i>Total Expenses</i>	<u>\$15,199,388</u>	<u>\$10,885,077</u>	<u>\$14,648,807</u>	<u>\$10,783,347</u>

The dependence upon general revenues for governmental activities is apparent as local property tax and grants and entitlements account for a majority of total revenues in fiscal year 2010.

Financial Analysis of the Government's Funds

Governmental Fund. Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,501,961 and expenditures of \$15,061,302. The total governmental fund balance increased \$440,659. The net change in the governmental fund balance for the year was most significant in the general fund for fiscal year 2010.

Key factors in this increase of fund balance for the major governmental funds are as follows:

- The general fund balance increased compared to the previous fiscal year. Most of this increase could be traced to an increase in State foundation revenues along with an overall decrease in expenditures. Although there were increases in salaries and benefits due to negotiated raises and increases in health insurance premiums, overall expenditures decreased due to the School District's cost management practices. Also, there were more advances repaid from the other funds.
- The permanent improvement capital projects fund balance decreased from the prior fiscal year. Capital outlay expenditures more than doubled from the prior fiscal year due to costs associated with Career Tech equipment.

Ashtabula County Joint Vocational School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially, the budget is the School District's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Revised Code. During the course of fiscal year 2010, the School District amended its general fund budget numerous times to allow for insignificant amendments. Actual revenues received were slightly lower than the certification primarily due to the receipt of less State Foundation and tuition and fees revenue than expected. Actual expenditures were significantly less than final appropriations due mainly to the diligence of management to keep costs low while still providing the services the School District citizens expect.

Capital Assets and Long-term Liabilities

Capital Assets. The following table shows fiscal year 2010 values compared to fiscal year 2009.

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

	2010	2009	Change
Land	\$153,226	\$153,226	\$0
Land Improvements	98,826	12,389	86,437
Buildings and Improvements	1,566,961	1,644,971	(78,010)
Furniture, Equipment and Fixtures	1,756,342	1,854,067	(97,725)
Vehicles	188,659	174,956	13,703
Total	<u>\$3,764,014</u>	<u>\$3,839,609</u>	<u>(\$75,595)</u>

The School District capital asset acquisitions during the fiscal year included buildings and improvements, furniture, equipment, and fixtures and vehicles. This increase was offset by a current year of depreciation. Additional information on the School District's capital assets can be found in Note 8 of the basic financial statements.

For fiscal year 1999, a change in Ohio law required school districts to set aside two percent of certain revenues for capital improvements and an additional two-percent for textbooks; this amount was increased to three percent beginning in fiscal year 2000. For fiscal year 2010, this amounted to \$119,486 for each set aside. Additional information on the School District's set-aside requirements can be found in note 18 of the basic financial statements.

Long-term Liabilities. At June 30, 2010, the School District had only compensated absences for long-term debts. The School District's overall liability increased \$62,491 from \$884,946 to \$947,437. Additional information on the School District's long-term liabilities can be found in Note 14 of the basic financial statements.

Ashtabula County Joint Vocational School District

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Unaudited*

Current Financial Related Activities

Ashtabula County Joint Vocational School District is strong financially. As the preceding information shows, the School District heavily depends on its property taxpayers. The School District has passed two levies that will allow the continuation of its education programs. The School District has a total of 4.11 mills levied; all of which are continuing millage as of June 30, 2010.

A .5 Mill Current Expense Renewal Tax Levy for three years, beginning with the tax list and duplicate for 2004 and ending in 2006, was passed on November 7, 2003, the proceeds of this levy would be available to the School District in calendar years 2005-2007. The purpose of this levy is to provide for the current operating expenses of the School District. It passed by a margin of 58 percent for the levy and 42 percent against the levy. This same levy was renewed as a continuing levy on November 7, 2006 and passed by a margin of 57 percent for the levy and 43 percent against the levy.

The Certificate of Estimated Property Tax Revenue from the Ashtabula County Auditor estimates the annual property tax revenue that will be produced by the levy is calculated to be \$677,161, assuming the tax valuation of the subdivision remains constant throughout the life of the levy. The tax valuation used was \$1,709,278,030.

A .3 Mill Permanent Improvement Renewal Tax Levy for five years, beginning with the tax list and duplicate for 2005 and ending in 2009, passed November 2, 2004, the proceeds of this levy would be available to the School District in calendar years 2006-2010. The purpose of this levy is for paying costs of improving and rehabilitating school facilities, acquiring and rehabilitating furnishings and equipment and equipping and otherwise improving school sites. It passed by a margin of 57 percent for the levy and 43 percent against the levy. This same levy was replaced as a continuing levy on November 3, 2009 and passed by a margin of 59 percent for the levy and 41 percent against the levy.

The Certificate of Estimated Property Tax Revenue from the Ashtabula County Auditor estimates the annual property tax revenue that will be produced by the levy is calculated to be \$593,396, assuming the tax valuation of the subdivision remains constant throughout the life of the levy. The tax valuation used was \$1,862,326,237.

With the passage of these levies the School District has been able to continue its educational programs. However, financially the future is not without challenges. While the School District was successful in maintaining its tax revenue base during the past few years, this does not constitute an actual increase. Some of the challenges include the unpredictable future of the State funding and the struggle to keep a competitive salary scale to retain quality personnel. Another example is seen in low interest rates being very good for issuing debt, but not attractive for maintaining investment revenues. This is evident from the large decrease in interest revenue during fiscal year 2010. Thus management must diligently plan expenses, staying carefully within the School District's five-year forecast.

Property valuations provide no significant increase in future revenues. Any increases in property tax revenues, along with questionable increases in State foundation payments, may help to keep up with increased costs. However, personal property tax is being phased out, and although there will be revenue reimbursement during a "hold-harmless period" and a new Commercial Activity Tax has been instituted, it is very difficult to project personal property tax due to the complexity of deregulation, phase-outs, tax loss reimbursements, and the continually changing laws regarding this item. But our enrollment is dependent on many factors and the School District must work hard to maintain its current enrollment, as we do not have a "captive audience" of automatic students enrolling. Right now we are in a two year State budget cycle where

Ashtabula County Joint Vocational School District

*Management's Discussion and Analysis
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enrollment does not play a part in our Foundation payment. We get a straight .75 percent increase each year in funding for fiscal year 2009 and fiscal year 2010 while the State determines how to fund Career Technical Education. With its major sources of revenue somewhat keeping pace with expenditure increases, the School District must still be vigilant to continue current operations. However, the School District cannot look to the State of Ohio for increased revenue.

The scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. Due to continued program expansion and an aging campus, the School District has set aside funds for the construction of a new building for the Vocational Readiness and Buildings and Grounds Programs, to be started in fiscal year 2011. Several attempts to pass a levy for the local share of an Ohio School Facilities project failed, so the School District will proceed with this project with Permanent Improvement Funds.

In addition, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

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 questions about this report or need additional financial information contact Mary Ann Wayman, Treasurer at Ashtabula County Joint Vocational School District, 1565 State Route 167, Jefferson, Ohio 44047.

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Ashtabula County Joint Vocational School District

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,470,934
Accrued Interest Receivable	13,995
Accounts Receivable	61,362
Intergovernmental Receivable	307,391
Inventory Held for Resale	3,257
Materials and Supplies Inventory	29,785
Property Taxes Receivable	4,841,867
Nondepreciable Capital Assets	153,226
Depreciable Capital Assets, Net	<u>3,610,788</u>
<i>Total Assets</i>	<u>20,492,605</u>
Liabilities	
Accounts Payable	47,624
Accrued Wages and Benefits	1,047,300
Intergovernmental Payable	100,452
Matured Compensated Absences Payable	3,124
Deferred Revenue	2,726,805
Long-Term Liabilities:	
Due Within One Year	126,075
Due in More Than One Year	<u>821,362</u>
<i>Total Liabilities</i>	<u>4,872,742</u>
Net Assets	
Invested in Capital Assets	3,764,014
Restricted for:	
Capital Projects	5,268,750
Other Purposes	811,526
Unrestricted	<u>5,775,573</u>
<i>Total Net Assets</i>	<u><u>\$15,619,863</u></u>

See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District

Statement of Activities

For the Fiscal Year Ended June 30, 2010

	Program Revenues				Net Revenue/(Expense) and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$828,930	\$0	\$0	\$0	(\$828,930)
Special	392,313	0	0	0	(392,313)
Vocational	7,716,674	809,618	1,216,373	105,780	(5,584,903)
Adult/Continuing	351,340	34,808	327,908	0	11,376
Student Intervention Services	709,664	0	743,310	0	33,646
Support Services:					
Pupils	570,699	895	161,209	0	(408,595)
Instructional Staff	1,504,401	51,695	131,391	0	(1,321,315)
Board of Education	57,251	0	0	0	(57,251)
Administration	1,092,833	133,087	298,333	0	(661,413)
Fiscal	457,224	0	0	0	(457,224)
Business	67,757	786	788	0	(66,183)
Operation and Maintenance of Plant	1,047,321	15,125	0	0	(1,032,196)
Pupil Transportation	45,908	0	0	0	(45,908)
Central	34,185	0	7,286	0	(26,899)
Extracurricular Activities	23,161	17,293	5,387	0	(481)
Operation of Non-Instructional Services:					
Food Service Operations	297,689	126,427	126,812	0	(44,450)
Other Non-Instructional Services	2,038	0	0	0	(2,038)
Totals	\$15,199,388	\$1,189,734	\$3,018,797	105,780	(10,885,077)

General Revenues

Property Taxes Levied for:

General Purposes 3,740,001
Capital Outlay 262,216

Grants and Entitlements not Restricted to Specific Programs 7,011,114

Investment Earnings 87,852
Miscellaneous 72,492

Total General Revenues 11,173,675

Change in Net Assets 288,598

Net Assets Beginning of Year 15,331,265

Net Assets End of Year \$15,619,863

See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District

*Balance Sheet
Governmental Funds
June 30, 2010*

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,250,775	\$5,134,803	\$1,080,423	\$11,466,001
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	4,933	0	0	4,933
Receivables:				
Property Taxes	4,374,552	467,315	0	4,841,867
Accounts	585	0	60,777	61,362
Intergovernmental	0	0	307,391	307,391
Interfund Receivable	473,260	0	0	473,260
Accrued Interest Receivable	13,995	0	0	13,995
Inventory Held for Resale	0	0	3,257	3,257
Materials and Supplies Inventory	28,799	0	986	29,785
<i>Total Assets</i>	<u>\$10,146,899</u>	<u>\$5,602,118</u>	<u>\$1,452,834</u>	<u>\$17,201,851</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$28,431	\$5,554	\$13,639	\$47,624
Accrued Wages and Benefits	921,041	0	126,259	1,047,300
Intergovernmental Payable	69,586	0	30,866	100,452
Interfund Payable	0	0	473,260	473,260
Deferred Revenue	2,854,675	359,535	89,326	3,303,536
Matured Compensated Absences Payable	0	0	3,124	3,124
<i>Total Liabilities</i>	<u>3,873,733</u>	<u>365,089</u>	<u>736,474</u>	<u>4,975,296</u>
Fund Balances:				
Reserved for Encumbrances	122,009	203,497	110,966	436,472
Reserved for Property Taxes	1,519,877	107,780	0	1,627,657
Reserved for Unclaimed Monies	4,933	0	0	4,933
Unreserved, Undesignated, Reported in:				
General Fund	4,626,347	0	0	4,626,347
Special Revenue Funds	0	0	605,394	605,394
Capital Projects Funds	0	4,925,752	0	4,925,752
<i>Total Fund Balances</i>	<u>6,273,166</u>	<u>5,237,029</u>	<u>716,360</u>	<u>12,226,555</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,146,899</u>	<u>\$5,602,118</u>	<u>\$1,452,834</u>	<u>\$17,201,851</u>

See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2010*

Total Governmental Funds Balances	\$12,226,555
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Amounts reported for governmental activities in the statement of net assets are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,764,014
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	487,405
Grants	45,002
Charges for Services	821
Tuition	<u>43,503</u>

Total	576,731
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Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not	
Total	<u>(947,437)</u>

<i>Net Assets of Governmental Activities</i>	<u><u>\$15,619,863</u></u>
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See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$3,679,317	\$258,045	\$0	\$3,937,362
Intergovernmental	7,012,749	105,780	3,062,510	10,181,039
Interest	86,192	0	1,667	87,859
Charges for Services	0	0	582,220	582,220
Tuition and Fees	23,283	0	574,896	598,179
Extracurricular Activities	0	0	17,293	17,293
Rentals	19,835	0	0	19,835
Contributions and Donations	0	0	5,682	5,682
Miscellaneous	59,979	0	12,513	72,492
<i>Total Revenues</i>	<u>10,881,355</u>	<u>363,825</u>	<u>4,256,781</u>	<u>15,501,961</u>
Expenditures				
Current:				
Instruction:				
Regular	796,200	0	21,162	817,362
Special	386,261	0	0	386,261
Vocational	5,125,828	0	1,959,275	7,085,103
Adult/Continuing	0	0	349,805	349,805
Student Intervention Services	0	0	709,664	709,664
Support Services:				
Pupils	416,409	0	150,824	567,233
Instructional Staff	1,331,994	0	176,134	1,508,128
Board of Education	57,251	0	0	57,251
Administration	657,632	0	425,299	1,082,931
Fiscal	451,544	5,609	0	457,153
Business	66,182	0	1,450	67,632
Operation and Maintenance of Plant	1,047,450	0	0	1,047,450
Pupil Transportation	42,568	0	0	42,568
Central	26,239	0	7,286	33,525
Extracurricular Activities	0	0	23,161	23,161
Operation of Non-Instructional Services:				
Food Service Operations	0	0	292,518	292,518
Other Non-Instructional Services	424	0	1,614	2,038
Capital Outlay	0	531,519	0	531,519
<i>Total Expenditures</i>	<u>10,405,982</u>	<u>537,128</u>	<u>4,118,192</u>	<u>15,061,302</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>475,373</u>	<u>(173,303)</u>	<u>138,589</u>	<u>440,659</u>
Other Financing Sources (Uses)				
Transfers In	0	18,000	95,000	113,000
Transfers Out	(113,000)	0	0	(113,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(113,000)</u>	<u>18,000</u>	<u>95,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	362,373	(155,303)	233,589	440,659
<i>Fund Balances Beginning of Year</i>	<u>5,910,793</u>	<u>5,392,332</u>	<u>482,771</u>	<u>11,785,896</u>
<i>Fund Balances End of Year</i>	<u><u>\$6,273,166</u></u>	<u><u>\$5,237,029</u></u>	<u><u>\$716,360</u></u>	<u><u>\$12,226,555</u></u>

See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010*

Net Change in Fund Balances -Total Governmental Funds \$440,659

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

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

Capital Asset Additions	324,631
Current Year Depreciation	<u>(372,172)</u>

Total	(47,541)
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (28,054)

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

Property Taxes	64,855
Grants	(51,037)
Charges for Services	821
Tuition	(23,904)
Rentals	<u>(4,710)</u>

Total	(13,975)
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Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (62,491)

Change in Net Assets of Governmental Activities \$288,598

See accompanying notes to the basic financial statements

Ashtabula 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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$3,797,760	\$3,657,497	\$3,657,467	(\$30)
Intergovernmental	6,644,173	7,036,654	7,025,414	(11,240)
Interest	250,000	119,000	119,305	305
Tuition and Fees	34,000	24,000	23,508	(492)
Rentals	22,000	20,100	20,065	(35)
Miscellaneous	133,000	58,182	59,844	1,662
<i>Total Revenues</i>	<u>10,880,933</u>	<u>10,915,433</u>	<u>10,905,603</u>	<u>(9,830)</u>
Expenditures				
Current:				
Instruction:				
Regular	925,564	862,764	792,729	70,035
Special	400,264	404,481	385,032	19,449
Vocational	5,862,927	5,896,877	5,192,871	704,006
Support Services:				
Pupils	471,460	478,335	432,161	46,174
Instructional Staff	1,366,763	1,407,652	1,358,686	48,966
Board of Education	96,115	97,415	73,417	23,998
Administration	708,712	718,080	689,197	28,883
Fiscal	443,012	489,307	454,387	34,920
Business	90,137	79,828	66,656	13,172
Operation and Maintenance of Plant	1,271,302	1,284,017	1,088,626	195,391
Pupil Transportation	42,740	50,740	45,171	5,569
Central	32,550	32,350	26,315	6,035
Operation of Non-Instructional Services:				
Other Non-Instructional Services	257	457	424	33
<i>Total Expenditures</i>	<u>11,711,803</u>	<u>11,802,303</u>	<u>10,605,672</u>	<u>1,196,631</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(830,870)</u>	<u>(886,870)</u>	<u>299,931</u>	<u>1,186,801</u>
Other Financing Sources (Uses)				
Advances In	250,000	306,000	336,066	30,066
Advances Out	(280,000)	(280,000)	(241,260)	38,740
Transfers Out	(240,000)	(240,000)	(113,000)	127,000
<i>Total Other Financing Sources (Uses)</i>	<u>(270,000)</u>	<u>(214,000)</u>	<u>(18,194)</u>	<u>195,806</u>
<i>Net Change in Fund Balance</i>	<u>(1,100,870)</u>	<u>(1,100,870)</u>	<u>281,737</u>	<u>1,382,607</u>
<i>Fund Balance Beginning of Year</i>	<u>4,637,365</u>	<u>4,637,365</u>	<u>4,637,365</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>186,549</u>	<u>186,549</u>	<u>186,549</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,723,044</u></u>	<u><u>\$3,723,044</u></u>	<u><u>\$5,105,651</u></u>	<u><u>\$1,382,607</u></u>

See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2010

Assets

Equity in Pooled Cash and Cash Equivalents

\$19,817

Liabilities

Due to Students

\$19,817

See accompanying notes to the basic financial statements

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 1 - Description of the School District

Ashtabula County Joint Vocational School District (the "School District") is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a seven member Board of Education. Membership is comprised of Board Members from the following school districts: Ashtabula Area City (2 representatives), Ashtabula County Educational Service Center (3 representatives), Conneaut Area City (1 representative), and Geneva Area City (1 representative). The School District provides job training leading to employment upon graduation from high school. The School District fosters cooperative relationships with business and industry, professional organizations, participating school districts, and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

The School District was established in 1965 through the consolidation of existing land areas and school districts. The School District serves Ashtabula County and parts of Geauga and Trumbull Counties. It is located in Ashtabula County. It is staffed by 31 non-certified employees, 86 certified full-time teaching personnel and 9 administrators who provide services to 2,899 students and many other community members. The School District currently operates five instructional buildings and a bus garage.

Reporting Entity

Since the School District does not have a separately elected governing board and does not meet the definition of a component unit, it is classified as a stand alone government under the provisions of Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity."

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

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

The School District is associated with a jointly governed organization, an insurance purchasing pool and a shared risk pool. These organizations are the Northeast Ohio Management Information Network, the Ohio School Boards' Association Workers' Compensation Group Rating Program and the Ashtabula County Schools Council of Governments, which are presented in Notes 15 and 17 to the basic financial statements.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District, however, has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, 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 fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The various funds of the School District are grouped into the categories governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

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

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District had no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

Measurement Focus

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

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

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 and the statements for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal 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, interest, tuition, grants, fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Budgetary Data

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 special cost center for all funds. The Treasurer has been given the authority to allocate Board appropriations to the function and object level within all funds without resolution by the Board of Education.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$86,192, which includes \$46,207 assigned from other School District funds.

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

Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money required by State statute to be set aside for unclaimed monies.

Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Land Improvements	5 years
Buildings and Improvements	10 to 50 years
Furniture, Equipment and Fixtures	15 to 20 years
Vehicles	10 to 20 years

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of teaching and 5 years of service at the School District.

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

On 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 "matured compensated absences payable" in the fund from which the employee will be paid.

Accrued Liabilities and Long-term Obligations

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

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments adopted by the School District. Net assets restricted for other purposes include grants and resources restricted for food service operations and extracurricular activities.

The School District applies restricted resources first when an expense is incurred for 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 equity reserves have been established for encumbrances, property taxes and unclaimed monies.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for unclaimed monies represents cash that, under Ohio law, must remain unclaimed for five years before it becomes available for appropriation.

Internal Activity

Transfers between governmental activities are eliminated on the Statement of Activities. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not 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.

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.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2010, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Reporting for Intangible Assets”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District’s financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the School District’s financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District’s financial statements.

Note 4 - Budgetary Basis of Accounting

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

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Unrecorded cash represents amounts received but not reported by the School District on the operating statements (budget), but which is reported on the GAAP basis operating statements.
6. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

GAAP Basis	\$362,373
Net Adjustment for Revenue Accruals	25,740
Ending Fair Value Adjustment for Investments	(1,250)
Ending Unreported Cash	(242)
Advances In	336,066
Net Adjustment for Expenditure Accruals	(51,125)
Advances Out	(241,260)
Adjustment for Encumbrances	<u>(148,565)</u>
Budget Basis	<u><u>\$281,737</u></u>

Note 5 - Deposits and Investments

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

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

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

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$10,345,620 of the School District's bank balance of \$11,693,620 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

As of June 30, 2010, the School District had one investment in Federal Home Loan Mortgage Corporation Bonds in the amount of \$201,250. This security matures on 11/10/14 and is rated AAA by Moody's.

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk The Moody's rating of the School District's investment is listed above. The School District has no investment policy that addresses credit risk.

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

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 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.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

The School District receives property taxes from Ashtabula County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the late personal property tax settlement, real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2010, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations and are reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010 was \$1,519,877 in the general fund and \$107,780 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2009 was \$1,498,027 in the general fund and \$105,714 in the permanent improvement capital projects fund.

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

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,871,671,420	94.96 %	\$1,890,706,850	95.37 %
Public Utility Personal	99,350,913	5.04	91,755,240	4.63
Total	<u>\$1,971,022,333</u>	<u>100.00 %</u>	<u>\$1,982,462,090</u>	<u>100.00 %</u>
Full Tax Rate per \$1,000 of Assessed Valuation	\$4.11		\$4.11	

Note 7 - Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (rent, student fees and tuition), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Vocational Education - Carl D. Perkins	\$186,763
Other Local Grants	76,342
ABLE Grant	29,606
Food Service	<u>14,680</u>
<i>Total Intergovernmental Receivables</i>	<u><u>\$307,391</u></u>

Note 8 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance</u>			<u>Balance</u>
	06/30/09	<u>Additions</u>	<u>Deductions</u>	06/30/10
Governmental Activities				
<i>Capital Assets not being Depreciated:</i>				
Land	\$153,226	\$0	\$0	\$153,226
<i>Capital Assets being Depreciated:</i>				
Land Improvements	161,360	86,857	0	248,217
Buildings and Improvements	4,966,680	28,774	0	4,995,454
Furniture, Equipment and Fixtures	3,608,858	159,451	(43,090)	3,725,219
Vehicles	339,916	49,549	(23,215)	366,250
<i>Total Capital Assets being Depreciated</i>	<u>9,076,814</u>	<u>324,631</u>	<u>(66,305)</u>	<u>9,335,140</u>
Less Accumulated Depreciation:				
Land Improvements	(148,971)	(420)	0	(149,391)
Buildings and Improvements	(3,321,709)	(106,784)	0	(3,428,493)
Furniture, Equipment and Fixtures	(1,754,791)	(233,378)	19,292	(1,968,877)
Vehicles	(164,960)	(31,590)	18,959	(177,591)
<i>Total Accumulated Depreciation</i>	<u>(5,390,431)</u>	<u>(372,172) *</u>	<u>38,251</u>	<u>(5,724,352)</u>
<i>Total Assets being Depreciated, Net</i>	<u>3,686,383</u>	<u>(47,541)</u>	<u>(28,054)</u>	<u>3,610,788</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$3,839,609</u></u>	<u><u>(\$47,541)</u></u>	<u><u>(\$28,054)</u></u>	<u><u>\$3,764,014</u></u>

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$8,748
Special	3,433
Vocational	261,529
Adult/Continuing	1,535
Support Services:	
Pupils	1,297
Instructional Staff	35,150
Administration	8,876
Operation and Maintenance of Plant	41,613
Pupil Transportation	3,340
Central	660
Operation of Non-Instructional Services:	
Food Service Operations	5,991
Total Depreciation Expense	<u>\$372,172</u>

Note 9 - Interfund Transactions

Interfund Transfers

The transfer from the general fund for \$65,000 to the food service special revenue fund was to cover costs of the food service program. The transfer from the general fund for \$30,000 to the rotary customer services special revenue fund was to cover costs of the program. The transfer from the general fund for \$18,000 to the permanent improvement capital projects fund was to set aside funds for a future building project.

Interfund Balance

	Interfund Receivable
	<u>General</u>
Nonmajor Funds:	
Uniform School Supplies	\$40,000
Other Local Grants	232,000
Able Grants	10,629
Vocational Education - Carl D. Perkins	190,631
Total All Funds	<u>\$473,260</u>

The interfund receivables and payables were due to the timing of the receipt of grant monies and the collection of tuition and fees received by the various funds. The general fund provides temporary funding of the program until the grant dollars are received. All interfund receivables will be repaid within one year.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 10 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District contracted with Ohio School Plan for various types of insurance. Coverage is as follows:

Coverage	Amount
Blanket Building and Contents (\$1,000 Deductible)	\$27,088,048
Fleet Insurance	1,000,000
General Liability - per Occurrence	1,000,000
Aggregate	3,000,000
Excess Liability	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

Employee Medical Benefits

The School District participates in the Ashtabula County Schools Council of Governments, a shared risk pool (Note 17) to provide employee medical/surgical, prescription drug, dental and vision benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The School District's Board of Education pays the entire cost of a monthly premium for all full-time employees.

Worker's Compensation

For fiscal year 2010, the School District participated in the Ohio School Boards' Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Note 11 - Pension Plans

School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available,

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$175,304, \$120,895 and \$119,996 respectively; 96.16 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

State Teachers Retirement System of Ohio

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

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

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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$775,438, \$747,603 and \$738,938 respectively; 95.96 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$15,368 made by the School District and \$10,977 made by the plan members.

Note 12 - Postemployment Benefits

School Employees Retirement System

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, 1.22 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800. During fiscal year 2010, the School District paid \$20,434 in surcharge.

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

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009 and 2008 were \$27,254, \$55,327 and \$54,758 respectively; 96.16 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009 and 2008 were 10,425, \$9,975 and \$8,646 respectively; 96.16 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

State Teachers Retirement System

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

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009 and 2008 were \$59,659, \$57,508 and \$56,841 respectively; 95.96 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 13 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Each employee is entitled to fifteen (15) days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth (1-1/4) days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Certified staff accumulate sick leave to a maximum of 330 days; severance pay is based upon an incremental scale up to a maximum of 80 days. Classified staff who are members of the teamsters union accumulate sick leave to a maximum of 225 days; severance is paid up to a maximum of 66 days. Classified secretaries who are members of the ACJVS Secretaries Association accumulate sick leave to a maximum of 255 days; severance is paid for one-quarter of accumulated up to a maximum of 70 days. Non-union school employees of the School District who served at least 10 years in any political subdivision at the time of their retirement shall receive pay for one-quarter of their unused sick leave to a maximum of 120 days or payment of 30 days. Employees, who have 10 years of service and have accumulated more than 120 days, shall be paid for one-tenth of their remaining unused and un-reimbursed sick leave to a maximum of 70 days or payment of 7 days pay.

Classified employees earn ten (10) to twenty (20) days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Non-union classified staff, teamsters and secretaries receive an additional day of vacation for each year beyond 19 years of service. Administrative personnel earn 20 to 25 days of vacation leave annually.

Insurance

Life insurance is offered to employees through EELIT (Educational Employees Life Insurance Trust) Company. Certified and classified employees are covered as follows:

- \$30,000 for Teamsters Union and Secretaries Association employees at \$4.80 per month;
- \$30,000 for Administration, Non-union employees and Teachers at \$4.80 per month.

Health Insurance Benefits

The School District provides employee medical and surgical insurance, prescription drug, dental, and vision insurance through the Ashtabula County Schools Council of Governments.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 14 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2010 were as follows:

	Balance 6/30/09	Additions	Deductions	Balance 6/30/10	Amounts Due in One Year
Governmental Activities					
Compensated Absences	\$884,946	\$216,978	\$154,487	\$947,437	\$126,075

Compensated absences will be paid from the general fund and the food service, adult education, other local grants, Licensed Practical Nurse program and Carl Perkins grant special revenue funds.

Note 15 - Jointly Governed Organization

Northeast Ohio Management Information Network (NEOMIN) – The North East Ohio Management Information Network (NEOMIN) is a jointly governed organization among 30 school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member School Districts. Each of the districts supports NEOMIN based upon a per pupil charge. The School District paid \$30,016 to NEOMIN during fiscal year 2010.

The Governing Board consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The degree of control exercised by a participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN’s financial statements, write to the Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

Note 16 - Contingencies

Grants

The School District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

Litigation

As of June 30, 2010, the School District was not party to any legal proceedings.

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 17 – Public Entity Risk Pools

Insurance Purchasing Pool

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

Risk Shared Pool

The School District has contracted with the Ashtabula County Schools Council of Governments ("the Council) to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Council's board of directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the School District. The Council shall pay the run out of all claims for a withdrawing Member. Any Member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council's assets.

Note 18 - Set-Aside Calculations

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

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

Ashtabula County Joint Vocational School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set -aside Cash Balance as of June 30, 2009	(\$4,117,774)	\$0
Current Year Set-aside Requirement	119,486	119,486
Current Year Offsets	0	(361,759)
Qualifying Expenditures	<u>(401,884)</u>	<u>(927,679)</u>
Totals	<u>(\$4,400,172)</u>	<u>(\$1,169,952)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$4,400,172)</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2010	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amounts below zero. This extra amount may be used to reduce the set-aside requirements in future fiscal years.

The School District had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amounts below zero. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years.

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ASHTABULA COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
ASHTABULA COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
<i>Child Nutrition Cluster:</i>						
<i>Non-Cash Assistance (Food Distribution):</i>						
National School Lunch Program	2010	10.555		\$14,050		\$14,050
<i>Cash Assistance:</i>						
National School Lunch Program	2010	10.555	\$111,306		\$111,306	
<i>Total Child Nutrition Cluster</i>			111,306	14,050	111,306	14,050
Total U.S. Department of Agriculture			111,306	14,050	111,306	14,050
U.S. DEPARTMENT OF EDUCATION						
<i>Direct Program:</i>						
<i>Student Financial Assistance Cluster:</i>						
Federal Family Education Loan Program	2010	84.032	589,338		589,338	
Pell Grants	2010	84.063	368,426		368,426	
Rural Education Grant	2010	84.358	23,041		23,041	
<i>Total Student Financial Assistance Cluster</i>			980,805		980,805	
<i>Passed Through Ohio Department of Education:</i>						
Adult Education - State Grant Program - Instructional	2010	84.002	121,939		121,939	
Adult Education - State Grant Program - Coalition	2009		1,726		7,310	
	2010		16,000		11,362	
Subtotal - CFDA No. 84.002			139,665		140,611	
Vocational Education - Basic Grants to States - Secondary	2009	84.048	(13,947)		58,269	
	2010		381,076		312,715	
Vocational Education - Basic Grants to States - Adult	2009				13,345	
	2010		200,624		196,785	
Subtotal - CFDA No. 84.048			567,753		581,114	
Safe and Drug-Free Schools Grants	2010	84.186	1,991		1,991	
Improving Teacher Quality State Grants - Title II-A	2010	84.367	5,511		5,511	
Total U.S. Department of Education			1,695,725		1,710,032	
Totals			\$1,807,031	\$14,050	\$1,821,338	\$14,050

The accompanying notes to this schedule are an integral part of this schedule.

**ASHTABULA COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Ashtabula County Joint Vocational School District's (the District) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B – CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE D – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts in certain instances. The District transferred the following amounts from 2009 to 2010 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2009 to 2010</u>
Adult Education – State Grant Program	84.002	\$6,734
Vocational Education – Basic Grant to States	84.048	189,566



Dave Yost • Auditor of State

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

Ashtabula County Joint Vocational School District
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To The Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ashtabula County Joint Vocational School District, Ashtabula County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and timely corrected.

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

Compliance and Other Matters

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

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated February 9, 2011.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies and pass-through entities and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 9, 2011



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Ashtabula County Joint Vocational School District
Ashtabula County
1565 State Route 167
Jefferson, Ohio 44047

To the Board of Education:

Compliance

We have audited the compliance of Ashtabula County Joint Vocational School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Ashtabula County Joint Vocational School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Ashtabula County Joint Vocational School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies and pass-through entities and others within the entity. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

February 9, 2011

**ASHTABULA COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list): Child Nutrition Cluster Vocational Education Basic Grants to States	CFDA Numbers: 10.555 84.048
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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ASHTABULA COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

ASHTABULA 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
MARCH 29, 2011