



**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2004**



**Auditor of State  
Betty Montgomery**



**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Buckeye Joint Vocational School District  
Tuscarawas County  
545 University Drive N.E.  
New Philadelphia, Ohio 44663

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 Buckeye Joint Vocational School District, Tuscarawas County, Ohio, (the District) as of and for the year ended June 30, 2004, 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Joint Vocational School District, Tuscarawas County, Ohio, as of June 30, 2004, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund and the Adult Education Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2004, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2005 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 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.

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

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Federal Awards Receipts and Expenditures Schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Federal Awards Receipts and Expenditures Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Betty Montgomery**  
Auditor of State

April 12, 2005

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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This is a discussion and analysis of Buckeye Joint Vocational School District's financial performance. This discussion provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should review the financial statements and notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for the 2004 fiscal year are as follows:

- In total net assets increased \$249,344.
- General revenues accounted for \$9,959,976 in revenues or 74.5 percent of all revenues. Program revenues, charges for services, grants and contributions, accounted for \$3,404,758 or 25.5 percent of all revenues.
- Of the \$9,959,976 in general revenue, \$4,327,113 or 43 percent was derived from local property taxes. State revenue accounted for \$5,432,299 or 55 percent and other revenue accounted for \$200,564 or 2 percent of the total general revenue.
- Program expenses totaled \$13,115,390. Of these expenses, instructional expenses totaled \$8,851,308 or 67 percent. Support service expenses totaled \$3,885,071 or 30 percent. The other expenses totaled \$379,011 or 3 percent.
- The School District's major funds include the General Fund, Adult Education Special Revenue Fund and Building Capital Projects Fund.
- The General Fund budgetary fund balance was \$8,767,826 at year-end; this is an increase of \$304,295 from June 30, 2003.

**Using this Financial Report**

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

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

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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**Reporting the Joint Vocational School District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all non-fiduciary assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, economic factors, the willingness of the community to support the School District and other factors. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Assets and the Statement of Activities, all of the School District's Non-Fiduciary programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular activities.

**Reporting the School District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the School District's major funds begin on page 14. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, adult education special revenue fund and building capital projects fund.

*Governmental Funds*

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

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

**The School District as a Whole**

You may recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2004 compared to 2003:

	Table I	
	Net Assets	
	Governmental Activities	
	2004	2003
Assets		
Current and Other Assets	\$15,878,035	\$15,478,826
Capital Assets, Net	5,265,729	5,391,465
Total Assets	21,143,764	20,870,291
Liabilities		
Current and Other Liabilities	5,041,910	5,087,339
Long-Term Liabilities:		
Due Within One Year	17,426	13,150
Due in More than One Year	475,984	410,702
Total Liabilities	5,535,320	5,511,191
Net Assets		
Invested in Capital Assets	5,265,729	5,391,465
Restricted:		
Capital Projects	1,302,411	1,226,979
Debt Service	0	14,165
Set Asides	41,084	41,084
Other Purposes	537,826	373,066
Unrestricted	8,461,394	8,312,341
Total Net Assets	\$15,608,444	\$15,359,100

Total assets of governmental activities increased \$273,473. This can be attributed to an increase in cash.

Total liabilities increased \$24,129. The increase was largely due to an increase in deferred revenue.

By comparing assets and liabilities, one can see the overall position of the School District has improved, as evidenced by the increase in net assets of \$249,344.

The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$9,959,976 or 74.5 percent of total revenue. The most significant portion of the general revenue is from foundation and property taxes. The remaining amount of revenue received was in the form of program revenues, which equaled to \$3,404,758 or 25.5 percent of total revenue.

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2004. Since this is the first year the School District has prepared governmental-wide financial statements using the full accrual basis of accounting, revenue and expense comparisons to fiscal year 2003 are not available. A comparative analysis will be provided in future years when prior year information is available.

Table 2  
 Governmental Activities

	2004
<b>Revenues</b>	
<b><i>Program Revenues:</i></b>	
Charges for Services	\$1,836,582
Operating Grants and Contributions	1,565,176
Capital Grants and Contributions	3,000
<i>Total Program Revenues</i>	3,404,758
<b><i>General Revenues:</i></b>	
Property Taxes	4,327,113
Grants and Entitlements	5,432,299
Investments	181,326
Gain on Sale of Capital Assets	960
Miscellaneous	18,278
<i>Total General Revenues</i>	9,959,976
Total Revenues	13,364,734
<b><i>Program Expenses</i></b>	
<b>Instruction</b>	
Regular	1,249,476
Special	277,294
Vocational	5,715,298
Adult	1,609,240
<b>Support Services:</b>	
Pupils	760,799
Instructional Staff	662,583
Board of Education	83,985
Administration	565,310
Fiscal	324,017
Operation and Maintenance	1,330,129
Pupil Transportation	24,384
Central	129,601
Operating of Non-Instructional Services	4,263
Food Service	378,523
Extracurricular Activities	488
<i>Total Program Expenses</i>	13,115,390
Change in Net Assets	249,344
Net Assets Beginning of Year	15,359,100
Net Assets End of Year	\$15,608,444

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

**Governmental Activities**

The School District has carefully planned its financial existence by forecasting its revenues and expenses over the next five years. The School District has two renewable levies that generate an estimated \$4,425,000 in revenues. The School District collects tax revenues from eight counties. The School District has two levies it collects on, a 10 year 1.8 mill levy passed in 2002 and a five year 1.0 mill levy passed in 2003.

The School District's revenues are almost evenly split between local property taxes and state funding. The School District also solicits and receives additional grants.

As one can see, approximately 67 percent of the School District's expense is used to fund instructional expenses. Additional supporting services for pupils, staff and business operations encompass an additional 30 percent. The remaining amount of program expenses, roughly 3 percent, is to facilitate other obligations of the School District such as interest and fiscal charges, the food service program and numerous extracurricular activities.

The Statement of Activities shows the total net cost of program services. Table 3 shows the total cost of services for governmental activities and the net cost of those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2003 have not been presented since they are not available.

Table 3  
Governmental Activities

	Total Cost of Services 2004	Net Cost of Services 2004
	<u>2004</u>	<u>2004</u>
Instruction		
Regular	\$1,249,476	(\$1,200,235)
Special	277,294	(277,294)
Vocational	5,715,298	(5,102,055)
Adult	1,609,240	178,958
Support Services:		
Pupils	760,799	(391,471)
Instructional Staff	662,583	(549,128)
Board of Education	83,985	(83,985)
Administration	565,310	(554,140)
Fiscal	324,017	(296,888)
Operation and Maintenance	1,330,129	(1,327,611)
Pupil Transportation	24,384	(24,384)
Central	129,601	(4,293)
Operating of Non-Instructional Services	4,263	(4,163)
Food Service	378,523	(73,455)
Extracurricular Activities	488	(488)
	<u>                    </u>	<u>                    </u>
Total	<u>\$13,115,390</u>	<u>(\$9,710,632)</u>

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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As one can see, the reliance upon local tax revenues for governmental activities is crucial. Over 33 percent of expenses are directly supported by local property taxes. Grants and entitlements are not restricted to specific programs support 41 percent, while investment and other miscellaneous type revenue support the remaining activity costs. Program revenues only account for 26 percent of all governmental expenses.

**Joint Vocational School District's Funds**

Information regarding the School District's major funds can be found on page 14. The fund is accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$13,485,423 and expenditures of \$12,912,768. The General Fund balance at fiscal year end was \$8,921,546.

**General Fund Budgeting Highlights**

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

For the general fund, the final budget basis revenue estimate totaled \$9,874,372; this was above original budget estimates of \$8,090,803. The main differences between the original and final estimates were due to an underestimation of taxes and intergovernmental money. The budget basis expenditure estimate totaled \$10,033,397; this was below the original estimate of \$9,874,881. This increase was due to anticipating spending more on equipment and supplies.

The School District's unencumbered ending cash balance totaled \$8,767,826, which was above the original budgeted amount, due to lower actual expenditures and higher revenues than budgeted.

**Capital Assets**

At the end of fiscal year 2004, the School District had \$5,265,729 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, net of accumulated depreciation.

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

Table 4 shows fiscal 2004 values compared to 2003.

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

	Governmental Activities	
	2004	2003
Land	\$551,520	\$576,520
Land Improvements	158,827	162,042
Buildings	2,494,460	2,630,049
Furniture and Equipment	1,900,773	1,814,786
Vehicles	160,149	168,288
Construction in Progress	0	39,780
Totals	\$5,265,729	\$5,391,465

All capital assets are reported at historical cost. There was no significant change in capital assets during the course of the year. For more information on capital assets refer to Note 9 of the basic financial statements.

**Joint Vocational School District Outlook**

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast.

The financial future of the School District is not without its challenges. These challenges are internal and external in nature. The internal challenges will continue to exist as the School District must rely heavily on local property taxes to fund its operations. External challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system.

Although the School District relies heavily on its property taxpayers to support its operations, the community support for the School District is quite strong. Both of our levies have been renewed by an overwhelming margin. The School District expects to have a positive general fund balance through 2008. We have tried to communicate to the public the service that our School District provides to the community. We have a very strong adult education program that services many of our community members. The School District has a strong public relations campaign that explains to the public what we are trying to do.

Externally, the State of Ohio was found by the Ohio Supreme Court in March, 1997 to be operating an unconstitutional educational funding system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its additional financial support toward Joint Vocational School Districts with little property tax wealth. In May of 2001, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for

**Buckeye Joint Vocational School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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schools is far too dependent on property taxes, which are inherently not “equitable” nor “adequate”. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. In December, 2002, the Ohio Supreme Court issued its latest opinion that Ohio’s current school funding system is unconstitutional. However, the Supreme Court also relinquished jurisdiction over the case and directed the “...Ohio General Assembly to enact a school funding scheme that is thorough and efficient...”

Buckeye Joint Vocational School District does not anticipate any meaningful growth in State revenue. Our revenue is based upon our enrollment, which we cannot control. Our enrollment has remained steady for the past several years, and we anticipate it remaining the same. The State has stated that the per pupil revenue for a minimum education should be increased at an inflationary rate of 2.8 percent per year for future years, however that was cut to 2.3 percent in the biennial budget that encompasses fiscal years 2004 and 2005.

As a result of the challenges mentioned above, it is imperative the School District’s management continue to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years.

**Contacting the School District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have any questions about this report or need additional information, contact Carla Cooper, Treasurer, Buckeye Joint Vocational School District, 545 University Drive, NE, New Philadelphia, OH 44663, or e-mail at [ccooper@bjvs.k12.oh.us](mailto:ccooper@bjvs.k12.oh.us).

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**Buckeye Joint Vocational School District**

*Statement of Net Assets*

*June 30, 2004*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$10,843,232
Cash and Cash Equivalents in Segregated Accounts	56,698
Accounts Receivable	180,454
Intergovernmental Receivable	215,484
Prepaid Items	41,020
Inventory Held for Resale	11,247
Materials and Supplies Inventory	108,759
Property Taxes Receivable	4,421,141
Nondepreciable Capital Assets	551,520
Depreciable Capital Assets, Net	<u>4,714,209</u>
<i>Total Assets</i>	<u>21,143,764</u>
<b>Liabilities</b>	
Accounts Payable	319,023
Accrued Wages	574,070
Intergovernmental Payable	135,343
Accrued Vacation Leave Payable	59,638
Deferred Revenue	3,953,836
Long-Term Liabilities:	
Due Within One Year	17,426
Due In More Than One Year	<u>475,984</u>
<i>Total Liabilities</i>	<u>5,535,320</u>
<b>Net Assets</b>	
Invested in Capital Assets	5,265,729
Restricted for:	
Capital Projects	1,302,411
Set-Asides	41,084
Other Purposes	537,826
Unrestricted	<u>8,461,394</u>
<i>Total Net Assets</i>	<u><u>\$15,608,444</u></u>

See accompanying notes to the basic financial statements

**Buckeye Joint Vocational School District**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2004*

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities</b>					
Instruction:					
Regular	\$1,249,476	\$16,790	\$32,451	\$0	(\$1,200,235)
Special	277,294	0	0	0	(277,294)
Vocational	5,715,298	448,755	164,488	0	(5,102,055)
Adult/Continuing	1,609,240	1,165,971	622,227	0	178,958
Support Services:					
Pupils	760,799	0	366,328	3,000	(391,471)
Instructional Staff	662,583	0	113,455	0	(549,128)
Board of Education	83,985	0	0	0	(83,985)
Administration	565,310	0	11,170	0	(554,140)
Fiscal	324,017	0	27,129	0	(296,888)
Operation and Maintenance of Plant	1,330,129	0	2,518	0	(1,327,611)
Pupil Transportation	24,384	0	0	0	(24,384)
Central	129,601	0	125,308	0	(4,293)
Operation of Non-Instructional Services	4,263	0	100	0	(4,163)
Food Service Operations	378,523	205,066	100,002	0	(73,455)
Extracurricular Activities	488	0	0	0	(488)
<b>Totals</b>	<b>\$13,115,390</b>	<b>\$1,836,582</b>	<b>\$1,565,176</b>	<b>\$3,000</b>	<b>(9,710,632)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					3,937,673
Capital Projects					389,440
Grants and Entitlements not Restricted to Specific Programs					
Investment Earnings					5,432,299
Gain on Sales of Capital Assets					181,326
Miscellaneous					960
					18,278
<b>Total General Revenues</b>					<b>9,959,976</b>
Change in Net Assets					249,344
Net Assets Beginning of Year					15,359,100
<b>Net Assets End of Year</b>					<b>\$15,608,444</b>

See accompanying notes to the basic financial statements

**Buckeye Joint Vocational School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2004*

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	General	Adult Education	Building
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$9,053,111	\$228,765	\$1,262,450
Cash and Cash Equivalents in Segregated Accounts	56,698	0	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	41,084	0	0
Receivables:			
Property Taxes	4,015,112	0	406,029
Accounts	176,861	225	0
Interfund	80,400	0	0
Intergovernmental	1,855	3,565	100
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	108,175	0	0
Prepaid Items	41,020	0	0
<i>Total Assets</i>	<u>\$13,574,316</u>	<u>\$232,555</u>	<u>\$1,668,579</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$291,497	\$3,344	\$4,067
Accrued Wages	553,578	3,439	0
Interfund Payable	0	0	0
Intergovernmental Payable	97,910	3,587	0
Deferred Revenue	3,709,785	0	375,832
<i>Total Liabilities</i>	<u>4,652,770</u>	<u>10,370</u>	<u>379,899</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	266,013	4,303	11,852
Reserved for Property Taxes	305,327	0	30,197
Reserved for Budget Stabilization	41,084	0	0
Unreserved: Undesignated, Reported in:			
General Fund	8,309,122	0	0
Special Revenue Funds	0	217,882	0
Capital Projects Funds	0	0	1,246,631
<i>Total Fund Balances</i>	<u>8,921,546</u>	<u>222,185</u>	<u>1,288,680</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,574,316</u>	<u>\$232,555</u>	<u>\$1,668,579</u>

See accompanying notes to the basic financial statements

**Buckeye Joint Vocational School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2004*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	<b>\$10,649,143</b>
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$257,822	\$10,802,148	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,265,729
0	56,698		
0	41,084		
0	4,421,141	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
3,368	180,454	Delinquent Property Taxes	131,781
0	80,400	Grants	139,923
209,964	215,484		
11,247	11,247	Total	271,704
584	108,759		
0	41,020	Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(25,084)
\$482,985	\$15,958,435		
		Long-term sick leave and accrued vacation payable are not due and payable in the current period and therefore are not in the funds:	
\$20,115	\$319,023	Sick Leave	(493,410)
17,053	574,070	Accrued Vacation Payable	(59,638)
80,400	80,400		
8,762	110,259	Total	(553,048)
139,923	4,225,540		
266,253	5,309,292	<i>Net Assets of Governmental Activities</i>	<b>\$15,608,444</b>
56,389	338,557		
0	335,524		
0	41,084		
0	8,309,122		
158,472	376,354		
1,871	1,248,502		
216,732	10,649,143		
\$482,985	\$15,958,435		

**Buckeye Joint Vocational School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2004*

	General	Adult Education	Building
<b>Revenues</b>			
Property Taxes	\$3,995,126	\$0	\$395,122
Intergovernmental	5,462,764	274,880	44,887
Interest	170,723	0	10,585
Tuition and Fees	16,790	1,155,781	0
Charges for Services	405,575	10,190	0
Contributions and Donations	0	0	0
Miscellaneous	13,595	834	0
<i>Total Revenues</i>	<u>10,064,573</u>	<u>1,441,685</u>	<u>450,594</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	1,148,930	0	0
Special	277,294	0	0
Vocational	5,152,500	0	0
Adult/Continuing	0	1,202,729	0
Support Services:			
Pupils	439,243	0	0
Instructional Staff	432,631	73,043	0
Board of Education	83,985	0	0
Administration	539,680	800	0
Fiscal	303,220	0	0
Operation and Maintenance of Plant	1,268,058	0	0
Pupil Transportation	12,209	0	0
Central	14,302	0	0
Operation of Non-Instructional Services	0	0	0
Food Service Operations	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	369,341
<i>Total Expenditures</i>	<u>9,672,052</u>	<u>1,276,572</u>	<u>369,341</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>392,521</u>	<u>165,113</u>	<u>81,253</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Capital Assets	0	0	960
Transfers In	14,165	0	0
Transfers Out	(140,067)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(125,902)</u>	<u>0</u>	<u>960</u>
<i>Net Change in Fund Balances</i>	266,619	165,113	82,213
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>8,654,927</u>	<u>57,072</u>	<u>1,206,467</u>
<i>Fund Balances End of Year</i>	<u>\$8,921,546</u>	<u>\$222,185</u>	<u>\$1,288,680</u>

See accompanying notes to the basic financial statements

**Buckeye 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, 2004*

Other Governmental Funds	Total Governmental Funds
\$0	\$4,390,248
1,118,308	6,900,839
18	181,326
43,180	1,215,751
205,066	620,831
158,150	158,150
3,849	18,278
<u>1,528,571</u>	<u>13,485,423</u>
45,306	1,194,236
0	277,294
168,399	5,320,899
360,455	1,563,184
317,783	757,026
157,739	663,413
0	83,985
10,968	551,448
21,286	324,506
20,752	1,288,810
5,958	18,167
115,299	129,601
4,263	4,263
362,008	362,008
488	488
4,099	373,440
<u>1,594,803</u>	<u>12,912,768</u>
<u>(66,232)</u>	<u>572,655</u>
0	960
140,067	154,232
<u>(14,165)</u>	<u>(154,232)</u>
<u>125,902</u>	<u>960</u>
59,670	573,615
<u>157,062</u>	<u>10,075,528</u>
<u>\$216,732</u>	<u>\$10,649,143</u>

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$573,615</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the 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	455,330
Current Year Depreciation	<u>(543,218)</u>
Total	(87,888)
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(37,848)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	(63,135)
Intergovernmental	<u>(58,514)</u>
Total	(121,649)
Some expenses reported in the statement of activities, such as sick leave, vacation benefits and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Sick Leave	(69,558)
Pension Obligation	(14,490)
Vacation Benefits	<u>7,162</u>
Total	<u>(76,886)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$249,344</u></u>

**Buckeye 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, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$3,260,000	\$3,879,500	\$3,957,076	\$77,576
Intergovernmental	4,400,000	5,460,500	5,463,409	2,909
Interest	110,000	164,430	165,241	811
Tuition and Fees	5,000	15,000	16,755	1,755
Charges for Services	310,150	342,192	388,177	45,985
Miscellaneous	5,653	12,750	13,595	845
<i>Total Revenues</i>	<u>8,090,803</u>	<u>9,874,372</u>	<u>10,004,253</u>	<u>129,881</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	1,110,582	1,147,562	1,141,044	6,518
Special	304,881	294,881	286,602	8,279
Vocational	5,133,774	5,368,310	5,338,933	29,377
Support Services:				
Pupils	458,274	442,274	438,510	3,764
Instructional Staff	473,738	451,738	443,375	8,363
Board of Education	194,019	100,019	93,460	6,559
Administration	581,909	558,909	549,802	9,107
Fiscal	310,851	313,851	303,191	10,660
Operation and Maintenance of Plant	1,278,131	1,324,131	1,311,671	12,460
Pupil Transportation	11,322	17,322	13,012	4,310
Central	14,400	14,400	14,302	98
Food Service Operations	3,000	0	0	0
<i>Total Expenditures</i>	<u>9,874,881</u>	<u>10,033,397</u>	<u>9,933,902</u>	<u>99,495</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,784,078)</u>	<u>(159,025)</u>	<u>70,351</u>	<u>229,376</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	100,000	183,000	183,642	642
Advances Out	(250,000)	(81,000)	(80,400)	600
Transfers In	0	10,000	10,000	0
Transfers Out	(150,000)	(147,000)	(140,067)	6,933
<i>Total Other Financing Sources (Uses)</i>	<u>(300,000)</u>	<u>(35,000)</u>	<u>(26,825)</u>	<u>8,175</u>
<i>Net Change in Fund Balance</i>	<u>(2,084,078)</u>	<u>(194,025)</u>	<u>43,526</u>	<u>237,551</u>
<i>Fund Balance Beginning of Year</i>	8,463,531	8,463,531	8,463,531	0
Prior Year Encumbrances Appropriated	260,769	260,769	260,769	0
<i>Fund Balance End of Year</i>	<u>\$6,640,222</u>	<u>\$8,530,275</u>	<u>\$8,767,826</u>	<u>\$237,551</u>

See accompanying notes to the basic financial statements

**Buckeye Joint Vocational School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Adult Education*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$300,000	\$274,000	\$274,339	\$339
Tuition and Fees	806,000	1,120,336	1,164,630	44,294
Charges for Services	9,000	10,100	10,190	90
Miscellaneous	0	700	834	134
<i>Total Revenues</i>	<u>1,115,000</u>	<u>1,405,136</u>	<u>1,449,993</u>	<u>44,857</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing	1,070,026	1,208,639	1,206,296	2,343
Support Services:				
Instructional Staff	72,244	73,944	73,043	901
Administration	0	800	800	0
<i>Total Expenditures</i>	<u>1,142,270</u>	<u>1,283,383</u>	<u>1,280,139</u>	<u>3,244</u>
<i>Net Change in Fund Balance</i>	(27,270)	121,753	169,854	48,101
<i>Fund Balance Beginning of Year</i>	41,382	41,382	41,382	0
Prior Year Encumbrances Appropriated	<u>11,558</u>	<u>11,558</u>	<u>11,558</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$25,670</u>	<u>\$174,693</u>	<u>\$222,794</u>	<u>\$48,101</u>

See accompanying notes to the basic financial statements

**Buckeye Joint Vocational School District**

*Statement of Fiduciary Net Assets*

*Fiduciary Funds*

*June 30, 2004*

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	Private Purpose Trust	
	<u>Scholarship</u>	<u>Agency</u>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$64,500	<u>\$27,887</u>
<b>Liabilities</b>		
Due to Students	<u>0</u>	<u>\$27,887</u>
<b>Net Assets</b>		
Held in Trust for Scholarship	<u>\$64,500</u>	

See accompanying notes to the basic financial statements

**Buckeye Joint Vocational School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2004*

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	<u>Scholarship</u>
<b>Additions</b>	
Contributions and Donations	\$64,500
<b>Deductions</b>	
Scholarships Awarded	<u>0</u>
<i>Change in Net Assets</i>	64,500
<i>Net Assets Beginning of Year</i>	<u>0</u>
<i>Net Assets End of Year</i>	<u><u>\$64,500</u></u>

See accompanying notes to the basic financial statements

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## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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#### **Note 1 - Description of the School District and Report Entity**

The Buckeye Joint Vocational School District (School District) is a joint vocational School District as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The vocational school exposes students to job training leading to employment upon graduation from high school. The School District encompasses eleven members spread throughout Carroll, Coshocton, Guernsey, Harrison, Holmes, Stark, Tuscarawas and Wayne counties.

The School District operates under an eleven member board representing Dover, New Philadelphia, Carrollton, Garaway, East Holmes, Strasburg, Conotton Valley, Claymont, Newcomerstown, Indian Valley and Tuscarawas Valley School Districts. Each Board member is elected to their home district and then appointed the School District's board. The School District provides educational services as authorized by State statute and federal guidelines. The School District employs 112 certified employees and 29 non-certified employees who provide services to 1,048 students and other community members.

#### *Reporting Entity*

A 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, boards, and agencies that are not legally separate from the School District. For the Buckeye Joint Vocational School District District, this includes general operations, food service, preschool, 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 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 does not have any component units.

The School District is associated with the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA), a jointly governed organization and the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) and the East Ohio Schools Employees Insurance Consortium (EOSEIC) which are defined as insurance purchasing pools. Additional information about these organizations is presented in Notes 15 and 16.

#### **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 entity for establishing governmental accounting and financial 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.

## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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#### ***A. Basis of Presentation***

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

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

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 activity is self-financing or draws from the general revenues of the School District.

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

#### ***B. Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into two 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 which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balances. The following are the School District's major governmental funds:

***General Fund*** The general fund is the general 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.

***Adult Education Fund*** The adult education special revenue fund is used to account for all revenue and expenditures associated with the adult education program.

## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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***Building Fund*** The building capital projects fund accounts for tax revenues that are used for any updates or major building renovations.

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

***Fiduciary Funds Types*** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for donated monies restricted to provide college scholarship assistance to a graduate of the School District. The School District's agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds reflect resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

#### ***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

#### ***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and 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 Nonexchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at 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, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

#### ***E. Cash and Cash Equivalents***

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

The School District has a segregated back account for monies held separate from the School District's central bank accounts. This interest bearing depository account is presented in the financial statements as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the School District treasury.

During fiscal year 2004, investments were limited to Huntington Bond account and STAROhio. Investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2004.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during the fiscal year 2004 amounted to \$170,723, which included \$18,562 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 reported as cash equivalents.

***F. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventories consists of expendable supplies held for consumption and purchased and donated food held for resale.

***G. Prepaid Items***

Payment made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. 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 imposed by creditors, contributors, grantors, laws of other governments, or by enabling legislation. Restricted assets in the general fund represent amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 17 for additional information regarding set-asides.

***I. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,500. 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 and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	50 Years
Furniture and Equipment	5 Years
Vehicles	8 Years

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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***J. 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.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for all 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 termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

***L. Accrued Liabilities and Long-Term Obligations***

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

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

***M. Fund Balance Reserves***

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

***N. 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 borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations and student activities.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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

***O. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2004.

***P. Estimates***

The preparation of the 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.

***Q. Interfund Activity***

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

***R. 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 amount that the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by Board of Education at the object level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District's Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate of estimated resources when the original appropriations were adopted. The amounts reported in the budgetary statements as the final budgeted amounts reflect the amounts in the amended certificate in effect when the final appropriations were passed. 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 resolution for the funds that covered the entire fiscal year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed during the fiscal year, including all supplemental appropriations.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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**Note 3 – Changes in Accounting Principles and Restatement of Net Assets**

***Changes in Accounting Principles*** For fiscal year 2004, the School District has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units”, GASB Statement No. 41, “Budgetary Comparison Schedules - Perspective Differences.” and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 39 states that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government. The implementation of GASB Statement No. 39 did not affect the reporting entity of the School District.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the School District not being able to present budgetary comparisons for the general and each major special revenue fund. This Statement was not applicable to the School District for fiscal year 2004.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

***Restatement of Fund Balance*** It was determined funds previously reported as enterprise funds should be reclassified and reported as special revenue funds. The new standards for reporting fund obligations for compensated absences in Interpretation 6 caused changes in previously reported fund balances. Prepaids were also understated in the prior year. These restatements had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balances to net assets of the governmental activities is also presented.

**Buckeye Joint Vocational School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

	General	Adult Education	Building	Nonmajor	Total
Fund Balances, June 30, 2003	\$8,496,099	\$53,572	\$1,206,467	\$113,451	\$9,869,589
Prepays	44,873	0	0	0	44,873
Fund Reclassifications	56,698	0	0	38,056	94,754
Interpretation 6:					
Compensated Absences Payable	<u>57,257</u>	<u>3,500</u>	<u>0</u>	<u>5,555</u>	<u>66,312</u>
Restated Fund Balances, June 30, 2003	<u>\$8,654,927</u>	<u>\$57,072</u>	<u>\$1,206,467</u>	<u>\$157,062</u>	10,075,528
GASB 34 Adjustments:					
Capital Assets					5,391,465
Long-Term (Deferred) Assets					393,353
Intergovernmental Payable					(10,594)
Long-Term Liabilities:					
Compensated Absences Payable					(423,852)
Accrued Vacation Payable					<u>(66,800)</u>
Governmental Activities Net Assets, June 30, 2003					<u>\$15,359,100</u>

**Note 4 - Fund Deficits and Legal Compliance**

**A. Fund Deficits**

The following fund had a deficit fund balance at June 30, 2004:

Funds	Amount
<i>Special Revenue Fund:</i>	
Vocational Education	\$13,063

The deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in the fund and provides transfers when cash is required, not when accruals occur. This fund complied with Ohio State law, which does not permit a cash basis deficit at year-end.

**B. Legal Compliance**

Contrary to Ohio Revised Code Section 5705.39, the following fund had original appropriations in excess of certified available resources:

	Original Revenues Plus Carryover Balance	Appropriations	Excess
Special Revenue Fund:			
RHEA Able Donation	\$343,787	\$401,675	\$57,888

Management corrected this by year end and will more closely monitor appropriations to ensure no future violations occur.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

**Note 5 - 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, disbursement and encumbrances. A Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and major special revenue funds 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balances (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and adult education special revenue fund.

	Net Change in Fund Balances	
	General Fund	Adult Education Fund
GAAP Basis	\$266,619	\$165,113
Net Adjustment for Revenue Accruals	(60,320)	8,308
Advances In	183,642	0
Transfers In	(4,165)	0
Net Adjustment for Expenditure Accruals	114,503	2,404
Advances Out	(80,400)	0
Adjustment for Encumbrances	(376,353)	(5,971)
Budget Basis	<u>\$43,526</u>	<u>\$169,854</u>

**Note 6 - Deposits and Investments**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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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.

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

Interim monies may be invested in the following securities:

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

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

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

The following information on classified deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$4,157,403 and the bank balance was \$4,805,251. Of the bank balance:

1. \$430,766 was covered by federal depository insurance.
2. \$4,374,485 was uncollateralized and uninsured. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State 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.

**Investments** GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are ensured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. Huntington Bond Account and STAROhio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Carrying and Fair Value</u>
Huntington Bond Account	5,833,847
STAROhio	1,001,067
Totals	<u>\$6,834,914</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement 9. A reconciliation between the classification of cash and investments on the basic financial statements and the classifications of deposits and investments presented above per GASB Statement 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$10,992,317	\$0
Huntington Bond Account	(5,833,847)	5,833,847
STAROhio	(1,001,067)	1,001,067
GASB Statement No. 3	<u>\$4,157,403</u>	<u>\$6,834,914</u>

**Note 7 - 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.

## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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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 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, 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 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 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 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. 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.

The School District receives property taxes from Tuscarawas, Guernsey, Carroll, Harrison, Stark, Holmes, Wayne and Coshocton Counties. The County Auditors periodically advance to the School District their portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2004, was \$305,327 in the general fund and \$30,197 in the building capital projects fund. The amount available as an advance at June 30, 2003, was 267,277 in the general fund and \$26,434 in the building 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.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

The assessed values upon which the fiscal year 2004 taxes were collected are:

	2003 Second Half Collections		2004 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,757,046,660	81.34%	\$1,807,687,270	82.08%
Public Utility	109,892,125	5.09	113,622,490	5.16
Tangible Personal Property	293,218,259	13.57	280,962,424	12.76
	<u>\$2,160,157,044</u>	<u>100.00%</u>	<u>\$2,202,272,184</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation	\$2.80		\$2.80	

**Note 8 - Receivables**

Receivables at June 30, 2004, consisted of taxes, accounts (rent and student fees), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Lunchroom Money	\$7,752
Adult Education	25,682
Enrollment	12,246
Vocational Education	35,690
Job and Family Services	131,484
Eisenhower	675
Building	100
General	1,855
Total	<u>\$215,484</u>

**Buckeye Joint Vocational School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2004

**Note 9 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Restated Balance 6/30/2003	Additions	Deletions	Balance 6/30/2004
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$576,520	\$0	(\$25,000)	\$551,520
<i>Capital Assets, being depreciated:</i>				
Land Improvements	761,829	0	0	761,829
Buildings and Improvements	11,132,992	0	0	11,132,992
Furniture and Equipment	4,088,826	424,814	(259,019)	4,254,621
Vehicles	358,876	30,516	0	389,392
<i>Total Capital Assets, being depreciated</i>	<u>16,342,523</u>	<u>455,330</u>	<u>(259,019)</u>	<u>16,538,834</u>
Less Accumulated Depreciation:				
Land Improvements	(599,787)	(3,214)	0	(603,001)
Buildings and Improvements	(8,463,163)	(175,370)	0	(8,638,533)
Furniture and Equipment	(2,274,040)	(325,979)	246,171	(2,353,848)
Vehicles	(190,588)	(38,655)	0	(229,243)
Total Accumulated Depreciation	<u>(11,527,578)</u>	<u>(543,218) *</u>	<u>246,171</u>	<u>(11,824,625)</u>
Total Capital Assets, being depreciated, net	<u>4,814,945</u>	<u>(87,888)</u>	<u>(12,848)</u>	<u>4,714,209</u>
Governmental Activities Capital Assets, Net	<u>\$5,391,465</u>	<u>(\$87,888)</u>	<u>(\$37,848)</u>	<u>\$5,265,729</u>

\* Depreciation expense was charged to governmental functions as follow:

Instruction:	
Regular	\$23,700
Vocational	439,197
Adult Continuing	22,895
Support Services:	
Pupils	640
Instructional Staff	6,448
Administration	20,339
Operation and Maintenance of Plant	18,873
Pupil Transportation	6,577
Food Service Operations	4,549
Total Depreciation Expense	<u>\$543,218</u>

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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**Note 10 - Risk Management**

***A. Workers' Compensation***

For fiscal year 2004, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 16). 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 on 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 group rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "Equity Pooling Fund" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to School Districts that can meet the GRP's selection criteria. The firm of Gates McDonald and Company provides administrative, cost control and actuarial services to the GRP.

***B. Property and Liability***

The School District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2004, the School District contracted with Indiana Insurance Company for property and general liability insurance. Indiana Insurance Company also covers commercial property, crime, inland marine, and boiler and machinery with a blanket \$29,021,103 insured value and a \$1,000 deductible.

Professional liability is provided by the Ohio School Plan with \$2,000,000 single occurrence and a \$5,000,000 aggregate limit and no deductible. Vehicles are covered by Indiana Insurance Company with comprehensive coverage and a \$250 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

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

**Note 11 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614)222-5853

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

## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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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 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 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, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003 and 2002 were \$120,234, \$88,119 and \$61,428, respectively; respectively; 98.32 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

#### ***B. State Teachers Retirement System***

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2004, 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$664,310, \$550,243 and \$461,846, respectively; 81.1 percent has been

## **Buckeye Joint Vocational School District**

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

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contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$23,389 made by the School District and \$43,935 made by the plan members.

#### **Note 12 - Post Employment Benefits**

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

STRS retirees from the DB and Combined Plan and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$51,101 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year-end June 30, 2003. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2004, the minimum pay was established as \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$90,029.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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**Note 13 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per year, depending on length of service. Vacation days are credited to classified employees on September 1 of each year. Vacation cannot be carried forward. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave can be accumulated to a maximum of 206 days. Upon retirement, payment is made for 28 percent of the total sick leave accumulation, up to a maximum accumulation of 56 days severance pay at the daily rate of the employee.

***B. Health Care Benefits***

Effective October 1, 2002, the School District formed the East Ohio Schools Employees Insurance Consortium as a charter member with two other local school districts. For certified and classified employees, the Consortium provides medical/surgical coverage which is the same as classified. For classified employees, the plan provides medical/surgical coverage which is 100% in-network and 90% out-of-network paid of reasonable and customary charges. Major medical expense coverage includes a \$100 individual and \$200 family annual deductible in-network and a \$200 individual and \$400 family annual deductible out-of-network, followed by a 90% in-network and 80% out-of-network employee co-payment to a \$250 per person and \$500 per family in-network and \$750 per person and \$1,000 per family out-of-network out-of-pocket maximum. A third party administrator, Klais & Company, Inc., of Akron, Ohio, reviews all claims which are paid by the Consortium. The Consortium purchases stop-loss coverage of \$100,000 per individual from Excess Benefits, Inc. The School District also provides dental and vision coverage through the Consortium. The premiums are paid by the School District at a rate of 90% for full-time employees and 50% for part-time employees. The premium is paid by the fund the paid the salary for the employee.

Total required monthly premiums for coverage are as follows:

	<u>Family</u>	<u>Individual</u>
Medical/Surgical	\$811.91	\$324.76
Dental	55.37	22.15
Vision	9.40	3.76

***C. Life Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through OME-RESA Health Benefits Plan in the amount of \$45,000.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

**Note 14 - Long-Term Obligations**

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

	Principal Outstanding 6/30/03	Additions	Reductions	Principal Outstanding 6/30/04	Amount Due in One Year
Sick Leave	<u>\$423,852</u>	<u>\$82,795</u>	<u>(\$13,237)</u>	<u>\$493,410</u>	<u>\$17,426</u>

Sick leave will be paid from the general fund, food service, adult education and vocational education special revenue funds.

The School District's overall debt margin was \$198,204,497 with an unvoted debt margin of \$2,202,272 at June 30, 2004.

**Note 15 - Jointly Governed Organization**

The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) was created as a regional council of governments pursuant to State statutes. OME-RESA has participants from eleven counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participants elected boards, which possesses its own budgeting and taxing authority. OME-RESA provides financial accounting services, educational management information, and cooperative purchasing to member districts. The Jefferson County Educational Service School District serves as fiscal agent and receives funding from the State Department of Education. Buckeye Joint Vocational School District paid \$12,597 to OME-RESA during fiscal year 2004 for services. To obtain financial information write to the Ohio Mid-Eastern Educational Service Agency, Steubenville, Ohio 43952.

**Note 16 - Insurance Purchasing Pools**

***A. Ohio School Boards Association Workers' Compensation Group Rating Plan***

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) which was established under Section 4123.29 of the Ohio Revised Code. The GRP's business and affairs are conducted by a five member Board of Directors. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

***B. East Ohio Schools Employees Insurance Consortium***

The School District participates in the East Ohio Schools Employees Insurance Consortium (EOSEIC), an insurance purchasing pool. The consortium was established in fiscal year 2003 to obtain and maintain an insurance purchasing program to maximize benefits and/or reduce the costs of health, dental, life and/or other group insurance coverage for employees and their eligible dependents and designated beneficiaries. The consortium members are Dover City School District, Buckeye Joint Vocational School District and Garaway Local School District. The Board of Directors is the governing body. The Board of Education of each member appoints its superintendent or superintendent's designee to be its representative on the Board of Directors. The EOSEIC's business and affairs are conducted by the third party administrator, Klais and

## Buckeye Joint Vocational School District

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2004*

Company, Inc. Each year the participating school districts pay an enrollment fee to the third party administrator to cover the costs of administering the program. For fiscal year 2004, the School District paid a \$3,000 enrollment fee to the third party administrator.

#### **Note 17 - Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2004, only the unspent portion of certain workers' compensation refunds continues to be set aside, with the remainder reverting to the General Fund.

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

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve	Budget Reserve
Set-aside Reserve Balances as of June 30, 2003	<u>(\$2,017,953)</u>	<u>\$0</u>	<u>\$41,084</u>
Current Year Set-aside Requirement	123,085	123,085	0
Qualifying Disbursements	<u>(714,438)</u>	<u>(346,178)</u>	<u>0</u>
Totals	<u>(\$2,609,306)</u>	<u>(\$223,093)</u>	<u>\$41,084</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$2,609,306)</u>	<u>\$0</u>	<u>\$41,084</u>
Set-aside Reserve Balance as of June 30, 2004	<u>\$0</u>	<u>\$0</u>	<u>\$41,084</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

#### **Note 18 - Contingencies**

##### **A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

**Buckeye Joint Vocational School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2004*

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***B. Litigation***

The School District was not a party to any legal proceedings.

**Note 19 - State School Funding Decision**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

**Note 20 - Interfund Transfers and Balances**

***A. Transfers***

The bond retirement debt service fund transferred money to the general fund because the bond retirement fund was eliminated during fiscal year 2004. The general fund transferred money to various nonmajor funds to meet grant requirements. Money was also transferred to the lunchroom fund to offset a deficit.

Transfers made during the fiscal year ended June 30, 2004 were as follows:

Transfer To	Transfer From	
	General	Nonmajor
Nonmajor Funds	\$140,067	\$0
General Fund	0	14,165
	<u>\$140,067</u>	<u>\$14,165</u>

***B. Balances***

As of June 30, 2004, the general fund had an \$80,400 interfund receivable and the nonmajor funds had a corresponding \$80,400 interfund payable. The interfund receivable and payable are due to the timing of the receipt of grant monies by the nonmajor funds. The general fund is owed \$1,725 from miscellaneous state grants, \$38,298 from adult basic education, \$35,690 from vocational education, \$3,264 from job and family services grant and \$1,423 from eisenhower grant.

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>PASS THROUGH ENTITY NUMBER</b>	<b>FEDERAL CFDA NUMBER</b>	<b>RECEIPTS</b>	<b>NON-CASH RECEIPTS</b>	<b>EXPENDITURES</b>	<b>NON-CASH EXPENDITURES</b>
<b><u>U.S. DEPT. OF AGRICULTURE</u></b>						
<i>Passed Through State Department of Education:</i>						
Child Nutrition Cluster: Food Distribution	N/A	10.550		\$25,052		\$25,052
National School Lunch Program	N/A	10.555	\$60,862		\$60,862	
Total U.S. Dept. of Agriculture-Child Nutrition Cluster			60,862	25,052	60,862	25,052
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Direct Grant:</i>						
Federal Pell Grant Program		84.063	305,115		305,115	
<i>Passed Through State Department of Education:</i>						
Adult Education/State Grant Program	051656-ABS1-04	84.002	121,116		121,116	
Even Start Grant	051656-EVS1-2004	84.213	188,954		188,954	
Vocational Education - Basic Grants to States	20C1-2003 20C1-2004	84.048	51,568 297,024		51,568 297,024	
			348,592		348,592	
Safe & Drug Free School	051656-DRS1-2004	84.186	3,844		3,844	
Eisenhower Grant - Professional Development Grants	051656-MSS1-2002 051656-TRS1-2003 051656-TRS1-2004	84.298 84.367 84.367	394 2,338 6,904		394 2,338 6,904	
			9,636		9,636	
Title V	051656-C2S1-2003 051656-C2S1-2003	84.298	6,337 3,788		6,337 3,788	
			10,125		10,125	
Higher Skills Partnership Grant	051656-WFHS-2003	17.258	25,000		25,000	
Total Passed Through State Dept. of Education			707,267		707,267	
<i>Passed Thru Gallia-Jackson-Vinton JVSD</i>						
Vocational Education - Basic Grants to States	N/A	84.048	51,007		51,007	
<b><u>U.S. Department of Health and Human Services</u></b>						
<i>Passed Through Tuscarawas County Job and Family Services</i>						
Temporary Assistance for Needy Families (TANF)	N/A	93.558	10,628		10,628	
Total			\$1,134,879	\$25,052	\$1,134,879	\$25,052

See Accompanying Notes to the Federal Awards Receipts and Expenditures Schedule

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2004**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Buckeye Joint Vocational School District  
Tuscarawas County  
545 University Drive N.E.  
New Philadelphia, Ohio 44663

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 Buckeye Joint Vocational School District, Tuscarawas County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 12, 2005, in which we noted the District adopted Governmental Accounting Standards Board Statement No. 34. 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*, issued by.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

In a separate letter to the District's management dated April 12, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance**

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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Buckeye Joint Vocational School District  
Tuscarawas County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 12, 2005



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Buckeye Joint Vocational School District  
Tuscarawas County  
545 University Drive N.E.  
New Philadelphia, Ohio 44663

To the Board of Education:

#### **Compliance**

We have audited the compliance of the Buckeye Joint Vocational School District, Tuscarawas County, Ohio, (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 apply to its major federal program for the year ended June 30, 2004. The summary of auditor's results section of the accompanying Schedule of Findings identifies the District's major federal program. 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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of 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 that 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, the District complied, in all material respects, with the requirements referred to above that are apply to its major federal program for the year ended June 30, 2004.

#### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

April 12, 2005

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 & .505  
JUNE 30, 2004**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under §.510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Pell Grant CFDA #84.063
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	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.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**BUCKEYE JOINT VOCATIONAL SCHOOL DISTRICT**

**TUSCARAWAS 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  
JUNE 28, 2005**