



Dave Yost • Auditor of State



**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Wayne County Schools Career Center  
Wayne County  
518 W. Prospect Street  
Smithville, Ohio 44677

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 Wayne County Schools Career Center, Wayne County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County Schools Career Center, Wayne County, Ohio, as of June 30, 2012, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Dave Yost**  
Auditor of State

March 8, 2013

**Wayne County Schools Career Center**  
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*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*

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The discussion and analysis of the Wayne County Schools Career Center (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2012 are as follows:

- Net assets increased \$837,967, which represents a 2.5 percent increase from 2011.
- Capital assets increased \$1,852,764 during fiscal year 2012.
- During the year, outstanding debt decreased from \$7,355,000 to \$6,425,000 due to principal payments made by the School District.

***Using this Annual Report***

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Wayne County Schools Career Center as a whole 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 nonmajor funds presented in total in one column. In the case of the Wayne County Schools Career Center, the general fund is by far the most significant fund.

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

*Statement of Net Assets and the Statement of Activities*

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Assets* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services and non instructional services, i.e., food service operations.

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

***Fund Financial Statements***

The major funds financial statements begin on page 13. 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, permanent improvement fund and the Ohio School Facilities fund.

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

***Reporting the School District's Fiduciary Responsibilities***

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities on page 18. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.



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**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2012 compared to 2011:

**Table 1**  
**Net Assets**

	Governmental Activities	
	2012	2011
<b>Assets</b>		
Current and Other Assets	\$ 17,496,969	\$ 20,498,734
Capital Assets	30,481,425	28,628,661
<i>Total Assets</i>	<i>47,978,394</i>	<i>49,127,395</i>
<b>Liabilities</b>		
Other Liabilities	5,889,223	6,904,936
Long-Term Liabilities	7,162,386	8,133,641
<i>Total Liabilities</i>	<i>13,051,609</i>	<i>15,038,577</i>
<b>Net Assets</b>		
Invested in Capital Assets,		
Net of Debt	24,056,425	22,644,068
Restricted	4,817,672	6,352,951
Unrestricted	6,052,688	5,091,799
<i>Total Net Assets</i>	<i>\$ 34,926,785</i>	<i>\$ 34,088,818</i>

At year end, capital assets represented 63.5 percent of total assets. Capital assets include, land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress. Capital assets, net of related debt were \$24,056,425 at June 30, 2012. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net assets, \$4,817,672 or 13.8 percent, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net assets of \$6,052,688 may be used to meet the government's ongoing obligations to students and creditors.

The most significant factors causing the \$3,001,765 decrease in current assets was the decrease in the Ohio School Facilities Commission grant receivable and a reduction in cash, both the result of the completion of the OSFC project.

The School District completed the renovation of the school facilities. All construction in progress was completed and placed in service prior to the end of fiscal year 2012. The completion of this renovation project accounts for the \$1,852,764 increase in capital assets. The decrease in total liabilities is a result of the decrease in contracts payable as the renovation was completed. Additionally, the School District made a principal payment of \$930,000 on the capital lease that funded the project.

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Table 2 shows the changes in net assets for fiscal year 2012 and 2011.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2012	2011*
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for Services	\$ 1,403,191	\$ 1,839,249
Operating Grants	1,927,695	1,934,550
Capital Grants	2,361	12,524
<i>Total Program Revenues</i>	<u>3,333,247</u>	<u>3,786,323</u>
<i>General Revenues:</i>		
Property Taxes	6,090,911	5,550,038
Grants and Entitlements Not Restricted	7,263,786	7,565,120
Insurance Recoveries	22,633	0
Other	40,048	22,412
<i>Total General Revenues</i>	<u>13,417,378</u>	<u>13,137,570</u>
<i>Total Revenues</i>	<u>16,750,625</u>	<u>16,923,893</u>
<b>Program Expenses</b>		
Instruction:		
Regular	2,061,933	1,845,031
Special	22,062	1,376
Vocational	5,762,659	6,771,093
Adult/Continuing	1,460,139	99,540
Support Services:		
Pupils	612,290	672,883
Instructional Staff	1,949,974	1,923,772
Board of Education	60,683	55,289
Administration	828,807	804,905
Fiscal	471,206	464,830
Operation and Maintenance of Plant	1,554,870	1,205,890
Pupil Transportation	12,109	51,658
Central	57,933	118,225
Operation of Non-Instructional Services:		
Food Service Operations	243,336	238,544
Community Services	538,708	586,541
Debt Service:		
Interest and Fiscal Charges	275,949	336,674
<i>Total Expenses</i>	<u>15,912,658</u>	<u>15,176,251</u>
<i>Increase (Decrease) in Net Assets</i>	837,967	1,747,642
<i>Net Assets at Beginning of Year</i>	<u>34,088,818</u>	<u>32,341,176</u>
<i>Net Assets at End of Year</i>	<u>\$ 34,926,785</u>	<u>\$ 34,088,818</u>

\*Some reclassifications were made to the fiscal year 2011 amounts so they are comparable to fiscal year 2012.

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Revenue decreased by \$173,268 or 1 percent of fiscal year 2011. This can be attributed to the decrease in charges for services, operating grant revenue and capital grant revenue. The School District was in the final year of an Ohio School Facilities grant project. Expenses increased by \$736,407 overall, with the majority of the increase being operation and maintenance expenditures. The fluctuations in vocational and adult/continuing expenses were caused by a change in the way the School District records the expenses for the adult education program.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Governmental Activities**

	Total Cost of Service		Net Cost of Service	
	2012	2011	2012	2011*
Instruction:				
Regular	\$ 2,061,933	\$ 1,845,031	\$ 1,888,645	\$ 1,710,153
Special	22,062	1,376	22,062	1,376
Vocational	5,762,659	6,771,093	5,489,208	4,687,683
Adult/Continuing	1,460,139	99,540	177,327	(129,977)
Support Services:				
Pupils	612,290	672,883	469,546	349,128
Instructional Staff	1,949,974	1,923,772	1,415,819	1,750,605
Board of Education	60,683	55,289	60,683	55,289
Administration	828,807	804,905	828,807	804,905
Fiscal	471,206	464,830	421,257	463,152
Operation and Maintenance of Plant	1,554,870	1,205,890	1,552,509	1,195,044
Pupil Transportation	12,109	51,658	12,109	51,658
Central	57,933	118,225	(27,276)	96,699
Operation of Non-Instructional Services:				
Food Service Operations	243,336	238,544	(10,216)	12,761
Community Services	538,708	586,541	2,982	4,778
Debt Service:				
Interest and Fiscal Charges	275,949	336,674	275,949	336,674
<i>Total Expenses</i>	<b>\$ 15,912,658</b>	<b>\$ 15,176,251</b>	<b>\$ 12,579,411</b>	<b>\$ 11,389,928</b>

\*Some reclassifications were made to the fiscal year 2011 amounts so they are comparable to fiscal year 2012.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
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The dependence upon general revenues for governmental activities is apparent. Approximately 79 percent of governmental activities are supported through taxes and other general revenues; such revenues are 80 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

While community support is crucial to the operation of the School District, grants and entitlements provide a large percentage of revenue for governmental activities. The greatest amount of grant and entitlement revenue is income from the School Foundation Program. Foundation income is determined by the number of students attending the School District.

***Governmental Funds***

Information about the School District's major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,142,812 and expenditures of \$18,750,350 for fiscal year 2012.

The general fund's net change in fund balance for fiscal year 2012 was an increase of \$940,079. There were slight increases in property tax and tuition and fees revenues. Expenditures were only slightly higher in 2012 as compared to 2011.

The fund balance of the permanent improvement fund increased by \$169,591. This was caused by the timing of property tax collections as compared to maturity payments for debt service.

The net decrease in fund balance in the classroom facilities was \$2,887,212. The decrease was primarily due to the increase of payments of capital outlay for construction of a new school building, using funds on hand from the issuance of debt in a prior year.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2012, the School District did amend its general fund budget a few times. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management

For the general fund, actual budget basis revenue of \$11,697,595 was \$817,595 higher than the final budget basis revenue of \$10,880,000. Most of this difference is due to an underestimation of intergovernmental revenue.

Final appropriations of \$11,346,491 were \$296,174 higher than the actual expenditures of \$11,050,317.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2012*

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***Capital Assets and Debt Administration***

**Capital Assets**

At the end of fiscal year 2012, the School District had \$30,481,425 invested in capital assets. Table 4 shows fiscal year 2012 balances compared with 2011.

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

	Governmental Activities	
	2012	2011
Land	\$ 3,091,702	\$ 1,913,892
Construction in Progress	0	23,559,301
Land Improvements	20,917	25,566
Buildings and Improvements	26,172,725	2,555,285
Furniture and Fixtures	1,184,729	555,696
Vehicles	11,352	18,921
<i>Totals</i>	\$ 30,481,425	\$ 28,628,661

The \$1,852,764 increase in capital assets was attributable to additional purchases exceeding current year depreciation and disposals. See Note 8 for more information about the capital assets of the School District. The School District completed a major renovation project during fiscal year 2012 funded in part by an Ohio School Facilities grant.

**Debt**

At June 30, 2012, the School District had \$6,425,000 in debt outstanding. During fiscal year 2009, a Certificate of Participation was issued totaling \$9,120,000. The Certificate of Participation was issued for the local share for classroom renovations. During fiscal year 2012 a payment of \$930,000 was made on the debt. The amount due within one year is \$965,000. See Notes 10 and 11 for additional information on outstanding long-term obligations of the School District.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
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***Current Issues***

The Wayne County Schools Career Center continues to have a positive financial outlook and will for the next few years unless changes in state and federal laws decrease income. The State of Ohio has not determined how to fund career – technical education under the new school funding guidelines approved in the State's 2012/13 Budget. For FY12, the School District was flat funded at the same amount as FY11. For FY13, a new school funding model will be put in place; at this time it is not known how this will affect career and technical funding.

As with any school district, the financial future of the School District is not without its challenges. To begin the FY12 School Year, the School District made approximately \$230,000 in cuts to salaries and benefits.

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mary Workman, Treasurer of Wayne County Schools Career Center, 518 West Prospect Street, Smithville, Ohio 44677.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Statement of Net Assets*  
*June 30, 2012*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 12,009,248
Receivables:	
Accounts	121,951
Intergovernmental	77,653
Property Taxes	5,288,117
Nondepreciable Capital Assets	3,091,702
Depreciable Capital Assets (Net)	27,389,723
<i>Total Assets</i>	47,978,394
<b>Liabilities</b>	
Accounts Payable	150,295
Accrued Wages and Benefits	769,596
Contracts Payable	52,064
Intergovernmental Payable	217,727
Accrued Vacation Leave Payable	81,073
Matured Compensated Absences Payable	11,608
Accrued Interest Payable	21,837
Deferred Revenue	4,585,023
Long Term Liabilities:	
Due Within One Year	1,044,790
Due In More Than One Year	6,117,596
<i>Total Liabilities</i>	13,051,609
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	24,056,425
Restricted For:	
Capital Outlay	2,827,516
Other Purposes	1,990,156
Unrestricted	6,052,688
<i>Total Net Assets</i>	\$ 34,926,785

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$ 2,061,933	\$ 0	\$ 173,288	\$ 0	\$ (1,888,645)
Special	22,062	0	0	0	(22,062)
Vocational	5,762,659	266,185	7,266	0	(5,489,208)
Adult/Continuing	1,460,139	788,632	494,180	0	(177,327)
Support Services:					
Pupils	612,290	0	142,744	0	(469,546)
Instructional Staff	1,949,974	206,893	327,262	0	(1,415,819)
Board of Education	60,683	0	0	0	(60,683)
Administration	828,807	0	0	0	(828,807)
Fiscal	471,206	49,949	0	0	(421,257)
Operation and Maintenance of Plant	1,554,870	0	0	2,361	(1,552,509)
Pupil Transportation	12,109	0	0	0	(12,109)
Central	57,933	0	85,209	0	27,276
Operation of Non-Instructional Services:					
Food Service Operations	243,336	91,532	162,020	0	10,216
Community Services	538,708	0	535,726	0	(2,982)
Debt Service:					
Interest and Fiscal Charges	275,949	0	0	0	(275,949)
<b>Total</b>	<u>\$ 15,912,658</u>	<u>\$ 1,403,191</u>	<u>\$ 1,927,695</u>	<u>\$ 2,361</u>	<u>(12,579,411)</u>

**General Revenues**

Property Taxes Levied for:	
General Purposes	4,568,694
Capital Outlay	1,203,655
Classroom Facilities Maintenance	318,562
Grants and Entitlements Not Restricted to Specific Programs	7,263,786
Insurance Recoveries	22,633
Investment Earnings	15,943
Miscellaneous	24,105
<b>Total General Revenues</b>	<u>13,417,378</u>
<b>Change in Net Assets</b>	837,967
<b>Net Assets Beginning of Year</b>	<u>34,088,818</u>
<b>Net Assets End of Year</b>	<u>\$ 34,926,785</u>

See accompanying notes to the basic financial statements.



**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2012*

	General	Permanent Improvement	Ohio School Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 7,130,317	\$ 1,889,797	\$ 463,412	\$ 2,525,722	\$ 12,009,248
Receivables:					
Accounts	15,994	0	0	105,957	121,951
Interfund	53,258	0	0	0	53,258
Intergovernmental	0	0	10,626	67,027	77,653
Property Taxes	3,971,385	1,026,016	0	290,716	5,288,117
<i>Total Assets</i>	<u>\$ 11,170,954</u>	<u>\$ 2,915,813</u>	<u>\$ 474,038</u>	<u>\$ 2,989,422</u>	<u>\$ 17,550,227</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 92,516	\$ 0	\$ 0	\$ 57,779	\$ 150,295
Accrued Wages and Benefits	670,635	0	0	98,961	769,596
Contracts Payable	0	0	52,064	0	52,064
Intergovernmental Payable	189,557	0	0	28,170	217,727
Matured Compensated Absences Payable	0	0	0	11,608	11,608
Interfund Payable	0	0	0	53,258	53,258
Deferred Revenue	3,592,190	923,209	10,626	298,828	4,824,853
<i>Total Liabilities</i>	<u>4,544,898</u>	<u>923,209</u>	<u>62,690</u>	<u>548,604</u>	<u>6,079,401</u>
<b>Fund Balances</b>					
Restricted	0	1,992,604	411,348	2,450,019	4,853,971
Assigned	875,235	0	0	0	875,235
Unassigned	5,750,821	0	0	(9,201)	5,741,620
<i>Total Fund Balances</i>	<u>6,626,056</u>	<u>1,992,604</u>	<u>411,348</u>	<u>2,440,818</u>	<u>11,470,826</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 11,170,954</u>	<u>\$ 2,915,813</u>	<u>\$ 474,038</u>	<u>\$ 2,989,422</u>	<u>\$ 17,550,227</u>

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Assets of Governmental Activities*  
*June 30, 2012*

<b>Total Governmental Fund Balances</b>		\$ 11,470,826
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,481,425
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 179,493	
Charges for Services	13,753	
Intergovernmental	<u>46,584</u>	
Total		239,830
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(21,837)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Capital Lease	(6,425,000)	
Accrued Vacation Leave	(81,073)	
Compensated Absences	<u>(737,386)</u>	
Total		<u>(7,243,459)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 34,926,785</u></u>

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2012*

	General	Permanent Improvement	Ohio School Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property and Other Local Taxes	\$ 4,591,628	\$ 1,211,868	\$ 0	\$ 318,562	\$ 6,122,058
Intergovernmental	7,103,928	193,931	171,937	1,863,369	9,333,165
Investment Income	15,943	0	2,361	75	18,379
Tuition and Fees	152,378	0	0	1,087,784	1,240,162
Charges for Services	109,789	49,949	0	123,208	282,946
Contributions and Donations	104,571	0	0	0	104,571
Miscellaneous	40,009	0	0	1,522	41,531
<i>Total Revenues</i>	<u>12,118,246</u>	<u>1,455,748</u>	<u>174,298</u>	<u>3,394,520</u>	<u>17,142,812</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	1,789,560	0	0	168,295	1,957,855
Special	7,924	0	0	0	7,924
Vocational	5,181,377	0	0	5,925	5,187,302
Adult/Continuing	25,753	0	0	1,332,804	1,358,557
Support Services:					
Pupils	474,188	0	0	139,342	613,530
Instructional Staff	1,432,105	0	0	485,278	1,917,383
Board of Education	60,683	0	0	0	60,683
Administration	828,951	0	0	69	829,020
Fiscal	437,138	28,879	0	250	466,267
Operation and Maintenance of Plant	793,309	0	0	192,999	986,308
Pupil Transportation	2,853	0	0	1,687	4,540
Central	0	0	0	82,754	82,754
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	229,945	229,945
Community Services	2,202	0	0	536,506	538,708
Capital Outlay	0	33,084	3,061,510	190,786	3,285,380
Debt Service:					
Principal Retirement	0	930,000	0	0	930,000
Interest and Fiscal Charges	0	294,194	0	0	294,194
<i>Total Expenditures</i>	<u>11,036,043</u>	<u>1,286,157</u>	<u>3,061,510</u>	<u>3,366,640</u>	<u>18,750,350</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,082,203</u>	<u>169,591</u>	<u>(2,887,212)</u>	<u>27,880</u>	<u>(1,607,538)</u>
<b>Other Financing Sources (Uses)</b>					
Insurance Recoveries	22,633	0	0	0	22,633
Transfers In	0	0	0	164,757	164,757
Transfers Out	(164,757)	0	0	0	(164,757)
<i>Total Other Financing Sources (Uses)</i>	<u>(142,124)</u>	<u>0</u>	<u>0</u>	<u>164,757</u>	<u>22,633</u>
<i>Net Change in Fund Balance</i>	940,079	169,591	(2,887,212)	192,637	(1,584,905)
<i>Fund Balances Beginning of Year</i>	<u>5,685,977</u>	<u>1,823,013</u>	<u>3,298,560</u>	<u>2,248,181</u>	<u>13,055,731</u>
<i>Fund Balances End of Year</i>	<u>\$ 6,626,056</u>	<u>\$ 1,992,604</u>	<u>\$ 411,348</u>	<u>\$ 2,440,818</u>	<u>\$ 11,470,826</u>

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center  
Wayne County, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2012*

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**Net Change in Fund Balances - Total Governmental Funds** \$ (1,584,905)

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

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

Capital Asset Additions	\$ 2,982,923	
Current Year Depreciation	<u>(1,102,791)</u>	1,880,132

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

(27,368)

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

Property Taxes	(31,147)	
Charges for Services	(137,342)	
Intergovernmental	<u>(246,331)</u>	(414,820)

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

930,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.

18,245

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

Compensated Absences	41,255	
Accrued Vacation Leave	<u>(4,572)</u>	<u>36,683</u>

*Change in Net Assets of Governmental Activities*

\$ 837,967

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$ 4,555,600	\$ 4,555,600	\$ 4,504,181	\$ (51,419)
Intergovernmental	6,309,916	6,245,725	7,103,928	858,203
Investment Income	14,161	14,017	15,943	1,926
Charges for Services	28,048	27,762	31,577	3,815
Contributions and Donations	2,372	2,348	2,671	323
Miscellaneous	34,903	34,548	39,295	4,747
<i>Total Revenues</i>	<u>10,945,000</u>	<u>10,880,000</u>	<u>11,697,595</u>	<u>817,595</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	1,812,455	1,853,038	1,804,669	48,369
Vocational	5,251,710	5,369,304	5,229,150	140,154
Support Services:				
Pupils	504,638	515,937	502,470	13,467
Instructional Staff	1,342,507	1,372,568	1,336,740	35,828
Board of Education	61,871	63,256	61,605	1,651
Administration	792,479	810,224	789,075	21,149
Fiscal	444,699	454,657	442,789	11,868
Operation and Maintenance of Plant	884,069	903,864	880,271	23,593
Pupil Transportation	3,563	3,643	3,548	95
<i>Total Expenditures</i>	<u>11,097,991</u>	<u>11,346,491</u>	<u>11,050,317</u>	<u>296,174</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(152,991)</u>	<u>(466,491)</u>	<u>647,278</u>	<u>1,113,769</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Recoveries	0	0	22,633	22,633
Advances In	20,000	85,000	81,299	(3,701)
Advances Out	(20,000)	(20,000)	(53,259)	(33,259)
Transfers Out	(190,000)	(190,000)	(164,757)	25,243
<i>Total Other Financing Sources (Uses)</i>	<u>(190,000)</u>	<u>(125,000)</u>	<u>(114,084)</u>	<u>10,916</u>
<i>Net Change in Fund Balance</i>	<u>(342,991)</u>	<u>(591,491)</u>	<u>533,194</u>	<u>1,124,685</u>
<i>Fund Balance Beginning of Year</i>	5,602,964	5,602,964	5,602,964	0
Prior Year Encumbrances Appropriated	290,492	290,492	290,492	0
<i>Fund Balance End of Year</i>	<u>\$ 5,550,465</u>	<u>\$ 5,301,965</u>	<u>\$ 6,426,650</u>	<u>\$ 1,124,685</u>

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Fund*  
*June 30, 2012*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 131,920
Accounts Receivable	<u>43,908</u>
<i>Total Assets</i>	<u><u>\$ 175,828</u></u>
 <b>Liabilities</b>	
Accounts Payable	\$ 65,922
Intergovernmental Payable	1,140
Undistributed Monies	35,546
Due to Students	<u>73,220</u>
<i>Total Liabilities</i>	<u><u>\$ 175,828</u></u>

See accompanying notes to the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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

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

The School District operates under an appointed thirteen-member Board of Education and provides educational services as mandated by state and/or federal agencies. The Board controls one instructional/support facility.

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits, of or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, the levying of taxes or the financial statements would be misleading if data from the component unit were not included. The School District has no component units.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Wayne County Joint Vocational School District applies generally accepted accounting principles (GAAP) that were issued prior to November 30, 1989 by the Financial Accounting Standards Board (FASB) to its governmental funds provided they not conflict with or contradict GASB pronouncements. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The more significant of the School District’s accounting policies are shown below.

**Basis of Presentation**

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

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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### **Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The effect of interfund activity within governmental type activities has been removed from these statements.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

### **Fund Financial Statements**

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

### **Fund Accounting**

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

### **Governmental Funds**

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

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

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



**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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*Classroom Facilities* – The classroom facilities fund is used to account for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants, other resources and debt service, of the School District to which the School District is bound to observe constraints imposed upon the use of the resources.

### **Fiduciary Funds**

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

### **Measurement Focus**

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

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

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

### **Basis of Accounting**

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

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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**Revenues - Exchanges and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of the fiscal year end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, tuition fees, charges for services, investment earnings and grants and entitlements.

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2012, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2013 operations, have been recorded as deferred revenue. Grants and entitlements and accounts receivable received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenditures/Expenses**

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

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

**Wayne County Schools Career Center**  
**Wayne County, Ohio**

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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**Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2012.

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

**Lapsing of Appropriations**

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

**Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During fiscal year 2012, investments were limited to repurchase agreements and certificates of deposit.

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

Following Ohio statutes, the Board of Education has by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue has been credited to the general fund, classroom facilities, and the food service fund. Interest credited to the general fund during fiscal year 2012 amounted to \$15,943 which includes \$7,918 assigned from other School District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as "equity in pooled cash and investments". Investments with an original maturity of more than three months that are not purchased from the pool are reported as "investments".

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 years
Buildings and Improvements	30 - 50 years
Furniture and Equipment	3 - 15 years
Vehicles	5 - 15 years

**Compensated Absences**

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

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

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

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

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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**Net Assets**

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

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

**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Interfund Transactions**

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

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

**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 2012.

**Estimates**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

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The Statement of Revenues, Expenditures and Changes in Fund Balances-Budget (Non-GAAP Basis) and Actual, presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and the fund financial statements are the following:

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other financing sources 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).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

**Net Change in Fund Balance**

GAAP Basis	\$ 940,079
Net adjustments for revenue accruals	(7,466)
Net adjustments for expenditure accruals	(142,021)
Funds budgeted elsewhere**	26,173
Adjustments for encumbrances	<u>(283,571)</u>
Budget Basis	<u><u>\$ 533,194</u></u>

\*\*As part of Governmental Accounting Standards Board No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, customer services, public school support and termination benefits funds.

**NOTE 4 - FUND DEFICITS**

Fund balances at June 30, 2012 included the following individual fund deficit:

	Deficit
Non-Major Governmental Funds:	Fund Balance
Adult Basic Education	\$ 9,201

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

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**NOTE 5 - 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 the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposits maturing not later than the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the highest rating classifications by at least two nationally recognized rating agencies.



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

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

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

#### **Cash on Hand**

At fiscal year end, the School District had \$425 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and investments".

#### **Deposits**

At fiscal year end, the carrying amount of the School District's deposits was \$8,465,743 and the bank balance was \$8,763,835. Of the bank balance:

1. \$2,502,425 was covered by federal depository insurance; and
2. \$6,261,410 was held in collateral pools with no specification for which such funds are held which is considered to be uninsured and uncollateralized. Although all State statutory requirements for the deposit of money has been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

#### **Investments**

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

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**Custodial Credit Risk:** For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the School District will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the School District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a purchase agreement by 2 percent. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Credit Risk:** The School District's only investments during the fiscal year were in an overnight repurchase account, with a year-end balance of \$3,675,000. The School District's investments in federal agency securities that underlie the School District's repurchase agreement were rated Aaa by Moody's Investor Services. The School District's policy does not address credit risk.

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

#### **NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, 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 semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in 2012 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

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The School District receives property taxes from Wayne, Medina, Holmes, Stark and Ashland counties. Stark and Ashland county tax collections are minimal. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 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 and public utility property taxes which are measurable as of June 30, 2012, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2012 was \$392,949 in the general fund, \$102,807 in the permanent improvement fund and \$27,846 in the classroom facilities maintenance fund. The amount available as an advance at June 30, 2011, was \$305,502 in the general fund and \$102,723 in the permanent improvement fund.

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

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second- Half Collections		2012 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 2,185,544,130	97.15%	\$ 2,145,427,600	96.61%
Public Utility Personal and Real	61,292,630	2.72%	75,347,340	3.39%
Tangible Personal Property	2,715,520	0.13%	0	0.00%
<b>Total Assessed Values</b>	<b>\$ 2,249,552,280</b>	<b>100.00%</b>	<b>\$ 2,220,774,940</b>	<b>100.00%</b>
 Tax rate per \$1,000 of assessed valuation	 \$ 4.85		 \$ 4.10	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2012 consisted of taxes, accounts, interfund, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

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**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 1,913,892	\$ 1,177,810	\$ 0	\$ 3,091,702
Construction in Progress	23,559,301	2,092,301	(25,651,602)	0
<i>Total Capital Assets, Not Being Depreciated</i>	25,473,193	3,270,111	(25,651,602)	3,091,702
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	376,052	0	0	376,052
Buildings and Improvements	7,427,146	24,599,548	(132,792)	31,893,902
Furniture and Equipment	2,060,566	764,866	(44,219)	2,781,213
Vehicles	426,595	0	(70,925)	355,670
<i>Total Capital Assets, Being Depreciated</i>	10,290,359	25,364,414	(247,936)	35,406,837
<i>Accumulated Depreciation</i>				
Land Improvements	(350,486)	(4,649)	0	(355,135)
Buildings and Improvements	(4,871,861)	(966,546)	117,230	(5,721,177)
Furniture and Equipment	(1,504,870)	(124,027)	32,413	(1,596,484)
Vehicles	(407,674)	(7,569)	70,925	(344,318)
<i>Total Accumulated Depreciated</i>	(7,134,891)	(1,102,791)	220,568	(8,017,114)
<i>Total Capital Assets Being Depreciated, Net</i>	3,155,468	24,261,623	(27,368)	27,389,723
<i>Governmental Activities, Capital Assets, Net</i>	\$ 28,628,661	\$ 27,531,734	\$ (25,678,970)	\$ 30,481,425

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 98,935
Special	14,138
Vocational	684,026
Adult Instruction	28,892
Support Services:	
Pupils	7,236
Instructional Staff	18,417
Administration	16,879
Fiscal	2,081
Operation and Maintenance	210,908
Pupil Transportation	7,569
Operation of Food Services	13,710
<i>Total Depreciation</i>	\$ 1,102,791

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**NOTE 9 - RISK MANAGEMENT**

**General Insurance**

The School District is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. The School District has a comprehensive property and casualty policy with a deductible of \$1,000 per incident. The School District's vehicle liability insurance policy limit is \$1,000,000 for each occurrence with a \$500 collision deductible. All administrators and employees are covered under a School District liability policy. The limits of this coverage are \$3,000,000 per occurrence and \$5,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, nor has insurance coverage been significantly reduced from the prior fiscal year.

The School District is a member of the Ohio School Plan for Building, Grounds, Liability, and Vehicle Insurance. The comprehensive property and casualty deductible is \$1,000 and the vehicle collision is \$500. The Ohio School Plan has over 200 school districts insured.

**Fidelity Bond**

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

**Workers' Compensation**

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

**Employee Health Insurance**

The School District is contracted with Stark County Schools Council of Governments (the "Council") to provide employee medical/surgical benefits. The Council is a risk sharing pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits. The Assembly is the legislative decision-making body of the Council. The Assembly is comprised of the superintendents or executive officers of the members, who have been appointed by the respective governing body of each member.

The intent of the insurance pool is to achieve a reduced, stable and competitive rate for the School District by grouping with other members of the Health Benefits Program. The experience of all participating districts is calculated as one, and a common premium rate is applied to all member districts.

Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. The employees share the cost of the monthly premium with the Board.

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Claims are paid for all participants regardless of claims flow. Upon termination, all School District claims would be paid without regard to the School District's account balance. The Stark County Schools Council of Government Board of Directors has the right to return monies to an existing school district subsequent to the settlement of all expenses and claims.

**NOTE 10 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations of the School District from July 1, 2011 through June 30, 2012, were as follows:

	Outstanding 7/1/2011	Additions	Deletions	Outstanding 6/30/2012	Due Within One Year
<b>Governmental Type Activities:</b>					
<i>Capital Lease:</i>					
2009 Classroom Facility Project-COP					
4% - 4.75%, 12/09 - 12/19	\$ 7,355,000	\$ 0	\$ 930,000	\$ 6,425,000	\$ 965,000
<i>Total Capital Leases</i>	<u>7,355,000</u>	<u>0</u>	<u>930,000</u>	<u>6,425,000</u>	<u>965,000</u>
<i>Other Long-Term Liabilities</i>					
Compensated Absences Payable	778,641	80,547	121,802	737,386	79,790
<i>Total Other Long-Term Liabilities</i>	<u>778,641</u>	<u>80,547</u>	<u>121,802</u>	<u>737,386</u>	<u>79,790</u>
Long-Term Liabilities	<u>\$ 8,133,641</u>	<u>\$ 80,547</u>	<u>\$ 1,051,802</u>	<u>\$ 7,162,386</u>	<u>\$ 1,044,790</u>

Compensated absences payable will be paid from the general, food service and adult education funds. The capital lease payments will be paid from the permanent improvement fund.

**NOTE 11 - CAPITALIZED LEASE**

During fiscal year 2009, the School District entered into a lease-purchase agreement for the classroom renovations to the school. The School District is leasing the project site from Ohio School Building Leasing Corporation. Ohio School Building Leasing Corporation assigned Huntington National Bank as trustee, transferring rights, title and interest in the project to the trustee. The School District is acting as an agent for the lessor, and is renovating the facilities from the proceeds provided by the lessor. As part of the agreement, Huntington National Bank deposited \$9,120,000, with a fiscal agent for the renovation project. Huntington National Bank has sold certificates of participation in the building lease. The School District will make annual lease payments to Huntington National Bank. Interest rates range between 4 percent and 4.75 percent. The lease is renewable annually and expires in 2019. The intention of the School District is to renew the lease annually.

As of June 30, 2012, \$9,120,000 of capital assets acquired by lease have been capitalized. Principal payments in fiscal year 2012 totaled \$930,000. Payments will be made on the lease from the permanent improvement fund.

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The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2012:

Fiscal Year Ending June 30,	Long-Term Obligation
2013	\$ 1,221,294
2014	1,221,894
2015	1,220,241
2016	1,220,525
2017	1,216,825
2018	1,213,144
Total	7,313,923
Less: Amount Representing Interest	(888,923)
Present Value of Minimum Lease Payment	\$ 6,425,000

**NOTE 12 - INTERFUND ACTIVITY**

***A. Interfund Balances***

The account balances by fund of “interfund receivable” and “interfund payable” as of June 30, 2012 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 53,258	\$ 0
Other Governmental Funds	0	53,258
Total	\$ 53,258	\$ 53,258

Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2012, all interfund payables outstanding are anticipated to be repaid in fiscal year 2013.

***B. Interfund Transfers***

The following is a summarized breakdown of the School District’s transfers for fiscal year 2012:

	Transfers In	Transfers Out
General Fund	\$ 0	\$ 164,757
Other Governmental Funds	164,757	0
Total	\$ 164,757	\$ 164,757

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Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the fiscal year, the general fund transferred \$164,757 to the Ohio School Facilities Commission Maintenance fund, for local funding initiative purposes, as required by the Ohio School Facilities Commission.

**NOTE 13 - PENSION PLANS**

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

Plan Description - The School District contributes to the School Employees Retirement System of Ohio (“SERS”), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS’ website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2012, 12.65 percent and .05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$238,992, \$220,433 and \$244,197, respectively; 88 percent has been contributed for fiscal year 2012 and 100 percent for the fiscal years 2011 and 2010.

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

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (“STRS Ohio”), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).



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

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

Funding Policy - For fiscal year 2012, 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 employer contributions. 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 STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010 were \$949,912, \$984,042 and \$989,347, respectively; 88 percent has been contributed for fiscal year 2012 and 100 percent for the fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$16,973 made by the School District and \$12,124 made by the plan members.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2012, certain members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

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**NOTE 14: POSTEMPLOYMENT BENEFITS**

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

Plan Description – The School District participates in two cost-sharing, multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug plan is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, .55 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011, and 2010 were \$10,391, \$26,691, and \$8,790, respectively; 88 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the current employer contribution to the Medicare B Fund. For fiscal year 2012, the actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$14,169, \$14,185, and \$14,522, respectively; 88 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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

Plan Description - The School District contributes to the cost sharing, multiple-employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the financial report of STRS. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$73,070, \$75,696, and \$76,104, respectively; 88 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

**NOTE 15 - OTHER EMPLOYEE BENEFITS – COMPENSATED ABSENCES**

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

The Treasurer and Superintendent earn 25 days of vacation per year and are allowed to cash in up to 15 unused vacation days per year. The Director of Operations and Principal earn 20 days of vacation per year while other administrators and teachers do not earn vacation.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATION**

Midland Council of Governments is a jointly governed organization among twenty-two boards of education. The Council of Governments was formed to provide efficient and cost effective computer and data processing services to member boards. Financial support for the Council of Governments is provided by member fees levied according to the number of students within each member's respective district. The Executive Committee determines and sets the fees for all services. During the year ended June 30, 2012 the School District paid \$96,960 to Midland for basic service charges.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**

*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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

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

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

	Capital Improvement Reserve
Set-Aside Restricted Balance, June 30, 2011	\$ 0
Current Year Set-Aside Requirement	134,438
Prior Year Offset from Bond Proceeds	(134,438)
Total	<u>\$ 0</u>
Balance Carried Forward to Fiscal Year 2013	<u>\$ 0</u>
Set-Aside Restricted Balance June 30, 2012	<u>\$ 0</u>

The School District had qualifying offsets during the year that reduced the capital improvements set-aside to zero.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

**NOTE 18 - FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other funds are presented as follows:

	General	Permanent Improvements	Classroom Facilities	Other Governmental Funds	Total
Restricted for:					
Capital Outlay	\$ 0	\$ 1,992,604	\$ 411,348	\$ 389,987	\$ 2,793,939
Classroom Facilities Maintenance	0	0	0	1,192,344	1,192,344
Adult Education	0	0	0	787,190	787,190
Food Service Operations	0	0	0	79,080	79,080
Other Purposes	0	0	0	1,418	1,418
Total Restricted	<u>0</u>	<u>1,992,604</u>	<u>411,348</u>	<u>2,450,019</u>	<u>4,853,971</u>
Assigned for:					
Encumbrances:					
Instruction	124,072	0	0	0	124,072
Support Services	141,107	0	0	0	141,107
Subsequent Year Appropriations	460,000	0	0	0	460,000
Public School Support	150,056	0	0	0	150,056
Total Assigned	<u>875,235</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>875,235</u>
Unassigned	<u>5,750,821</u>	<u>0</u>	<u>0</u>	<u>(9,201)</u>	<u>5,741,620</u>
Total Fund Balance	<u><u>\$ 6,626,056</u></u>	<u><u>\$ 1,992,604</u></u>	<u><u>\$ 411,348</u></u>	<u><u>\$ 2,440,818</u></u>	<u><u>\$ 11,470,826</u></u>

**NOTE 19 – CONTINGENCIES AND SIGNIFICANT COMMITMENTS**

**A. Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

**B. Litigation**

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect of the basic financial statements.

**Wayne County Schools Career Center**  
**Wayne County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2012*

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***C. Encumbrance Commitments***

Outstanding encumbrances for governmental funds include \$265,179 for the general fund, \$1,938 for the permanent improvement fund, \$124,003 for the Ohio School Facilities fund and \$85,351 for all other nonmajor governmental funds.

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed through the Ohio Department of Education:</i>					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555		\$12,675		\$12,675
Cash Assistance:					
National School Lunch Program	10.555	\$132,957		\$132,957	
Total Child Nutrition Cluster		132,957	12,675	132,957	12,675
Total U.S. Department of Agriculture		132,957	12,675	132,957	12,675
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Direct Program:</i>					
Student Financial Assistance Cluster:					
Pell Grant	84.063	497,183		497,963	
Supplemental Educational Opportunity Grant	84.007	8,183		8,183	
Federal Direct Student Loans	84.268	568,199		568,199	
Total Student Financial Assistance Cluster		1,073,565		1,074,345	
<i>Passed through the Ohio Department of Education:</i>					
Career and Technical Education_Basic Grants to States	84.048	414,842		378,789	
Improving Teacher Quality State Grants	84.367	2,241		3,300	
<i>Passed through the Ohio Board of Regents:</i>					
Adult Education - Basic Grants to States	84.002	146,025		146,025	
Total U.S. Department of Education		1,636,673		1,602,459	
<b><u>U.S. DEPARTMENT OF LABOR</u></b>					
<i>Passed through the Ohio Department of Job and Family Services:</i>					
WIA Adult Program	17.258	70,065		70,065	
Workers Trade Adjustment Assistance	17.245	39,772		39,772	
Total U.S. Department of Labor		109,837		109,837	
<b>Totals</b>		<b>\$1,879,467</b>	<b>\$12,675</b>	<b>\$1,845,253</b>	<b>\$12,675</b>

*The Notes to the Federal Awards Receipts and Expenditures Schedule are an integral part of this schedule.*

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Wayne County Schools Career Center's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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





# Dave Yost • Auditor of State

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

Wayne County Schools Career Center  
Wayne County  
518 W. Prospect Street  
Smithville, Ohio 44677

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 Wayne County Schools Career Center, Wayne County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 8, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 8, 2013.

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

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

**Dave Yost**  
Auditor of State

March 8, 2013



# Dave Yost • Auditor of State

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

Wayne County Schools Career Center  
Wayne County  
518 W. Prospect Street  
Smithville, Ohio 44677

To the Board of Education:

### Compliance

We have audited the compliance of the Wayne County Schools Career Center, Wayne 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 could directly and materially affect each of the District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying Schedule of Findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Wayne County Schools Career Center complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

### Internal Control Over Compliance

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

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

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

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated March 8, 2013.

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



**Dave Yost**  
Auditor of State

March 8, 2013

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2012**

**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 weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control 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(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Student Financial Assistance Cluster CFDA #84.063, 84.007, & 84.268 Child Nutrition Cluster CFDA #10.555
<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>	No

**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

**WAYNE COUNTY SCHOOLS CAREER CENTER  
WAYNE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-001	The District had several errors noted in the financial statements that required proposed audit adjustments and reclassifications.	No	Partially Corrected. Repeated in Management Letter.
2011-002	7 Code of Federal Regulations Section 245.6a(c)(2) - the District did not send the "Verification Form" to the Ohio Department of Job and Family Services for independent verification of the students and food stamp numbers.	Yes	Corrected



# Dave Yost • Auditor of State

WAYNE COUNTY SCHOOLS CAREER CENTER

WAYNE COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
APRIL 2, 2013