

GARY B. FINK & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 1999

Professional Accountants
for
Professional Government

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

Board of Education
Wayne County Joint Vocational School District

We have reviewed the independent auditor's report of the Wayne County Joint Vocational School District, Wayne County, prepared by Gary B. Fink & Associates, Inc. for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Wayne County Joint Vocational School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

February 29, 2000

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

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INDEPENDENT AUDITOR'S REPORT

111 Broad Street
Suite 206
Wadsworth, Ohio 44281
330/336-1706 Fax 330/334-5118

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

We have audited the accompanying general purpose financial statements of the Wayne County Joint Vocational School District, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Wayne County Joint Vocational School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Wayne County Joint Vocational School District, as of June 30, 1999 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2000 on our consideration of the Wayne County Joint Vocational School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Wayne County Joint Vocational School District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

January 3, 2000

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GENERAL PURPOSE FINANCIAL STATEMENTS

Wayne County Joint Vocational School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,222,922	\$414,875	\$0	\$287,486
Receivables:				
Taxes	3,947,036	0	0	0
Accounts	1,671	0	0	0
Intergovernmental	56,946	126,181	0	0
Accrued Interest	6,742	0	0	0
Interfund Receivable	284,868	0	0	0
Materials and Supplies Inventory	58,830	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	117,103	0	0	0
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$5,696,118	\$541,056	\$0	\$287,486
Liabilities, Fund Equity and Other Credits				
Liabilities:				
Accounts Payable	\$25,460	\$14,309	\$0	\$0
Accrued Wages	515,739	51,176	0	0
Compensated Absences Payable	13,372	0	0	0
Interfund Payable	0	284,868	0	0
Intergovernmental Payable	82,006	8,199	0	0
Deferred Revenue	3,870,409	0	0	0
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Loans Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Total Liabilities	4,506,986	358,552	0	0
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	122,003	35,431	0	0
Reserved for Inventory	58,830	0	0	0
Reserved for Property Taxes	76,627	0	0	0
Reserved for Budget Stabilization	117,103	0	0	0
Unreserved:				
Undesignated	814,569	147,073	0	287,486
Total Fund Equity and Other Credits	1,189,132	182,504	0	287,486
Total Liabilities, Fund Equity and Other Credits	\$5,696,118	\$541,056	\$0	\$287,486

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$335,686	\$29,802	\$0	\$0	\$2,290,771
0	0	0	0	3,947,036
169,577	0	0	0	171,248
60,600	0	0	0	243,727
0	0	0	0	6,742
0	0	0	0	284,868
34,243	0	0	0	93,073
0	0	0	0	117,103
109,757	0	9,718,685	0	9,828,442
0	0	0	531,685	531,685
<u>\$709,863</u>	<u>\$29,802</u>	<u>\$9,718,685</u>	<u>\$531,685</u>	<u>\$17,514,695</u>
\$14,334	\$677	\$0	\$0	\$54,780
44,677	0	0	0	611,592
26,122	0	0	168,865	208,359
0	0	0	0	284,868
10,701	0	0	16,544	117,450
2,400	0	0	0	3,872,809
0	6,598	0	0	6,598
0	22,527	0	0	22,527
0	0	0	286,851	286,851
0	0	0	59,425	59,425
98,234	29,802	0	531,685	5,525,259
0	0	9,718,685	0	-9,718,685
611,629	0	0	0	611,629
0	0	0	0	157,434
0	0	0	0	58,830
0	0	0	0	76,627
0	0	0	0	117,103
0	0	0	0	1,249,128
<u>611,629</u>	<u>0</u>	<u>9,718,685</u>	<u>0</u>	<u>11,989,436</u>
<u>\$709,863</u>	<u>\$29,802</u>	<u>\$9,718,685</u>	<u>\$531,685</u>	<u>\$17,514,695</u>

Wayne County Joint Vocational School District
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Property and Other Taxes	\$3,779,868	\$0	\$0	\$0
Intergovernmental	3,327,501	1,219,465	0	0
Interest	147,960	0	0	0
Tuition and Fees	0	35,638	0	0
Rent	8,455	603	0	0
Gifts and Donations	50	501	0	0
Customer Service	76,658	0	0	0
Miscellaneous	35,835	82,368	0	0
Total Revenues	7,376,327	1,338,575	0	0
Expenditures:				
Current:				
Instruction:				
Regular	950,687	26,445	0	0
Special	0	73,258	0	0
Vocational	4,080,091	231,373	0	0
Adult/Continuing	0	244,813	0	0
Support Services:				
Pupils	292,012	261,604	0	0
Instructional Staff	519,199	124,320	0	0
Board of Education	15,299	0	0	0
Administration	659,365	51,372	0	0
Fiscal	287,794	4,261	0	0
Operation and Maintenance of Plant	843,332	19,146	0	0
Pupil Transportation	20,257	5,413	0	0
Central	0	62,125	0	0
Operation of Non-Instructional Services	0	138,732	0	0
Debt Service:				
Principal Retirement	0	23,178	50,281	0
Interest and Fiscal Charges	0	5,767	12,428	0
Intergovernmental	0	49,489	0	0
Total Expenditures	7,668,036	1,321,296	62,709	0
Excess (Deficiency) of Revenues (Under) Expenditures	(291,709)	17,279	(62,709)	0
Other Financing Sources (Uses):				
Operating Transfers In	0	12,780	62,709	65,000
Proceeds from Sale of Fixed Assets	4,919	0	0	0
Operating Transfers Out	(156,489)	0	0	0
Total Other Financing Sources (Uses)	(145,570)	12,780	62,709	65,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(437,279)	30,059	0	65,000
Fund Balances at Beginning of Year	1,626,388	152,445	0	222,486
Increase in Reserve for Inventory	1,223	0	0	0
Residual Equity Transfers Out	(1,200)	0	0	0
Fund Balances at End of Year	\$1,189,132	\$182,504	\$0	\$287,486

See accompanying notes to the general purpose financial statements.

Totals
(Memorandum
Only)

\$3,779,868
4,546,966
147,960
35,638
9,058
551
76,658
118,203

8,714,902

977,132
73,258
4,311,464
244,813

553,616
643,519
15,299
710,737
292,055
862,478
25,670
62,125
138,732

73,459
18,195
49,489

9,052,041

(337,139)

140,489
4,919
(150,489)

(5,081)

(342,220)

2,001,319

1,223
(1,200)

\$1,659,122

Wayne County Joint Vocational School District
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual (Budget Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$3,080,000	\$3,343,760	\$263,760
Interest	60,000	157,875	97,875
Tuition and Fees	0	0	0
Rent	7,500	8,455	955
Gifts and Donations	0	50	50
Customer Services	0	76,658	76,658
Property and Other Local Taxes	3,980,000	3,946,862	(33,138)
Miscellaneous	89,000	35,125	(53,875)
Total Revenues	7,216,500	7,568,785	352,285
Expenditures			
Current:			
Instruction:			
Regular	967,600	956,723	10,877
Special	0	0	0
Vocational	4,141,484	4,085,354	56,130
Adult Continuing	0	0	0
Support services:			
Pupils	306,486	298,900	7,586
Instructional Staff	564,192	546,199	17,993
Board of Education	16,740	15,316	1,424
Administration	684,521	673,564	10,957
Fiscal	290,875	287,496	3,379
Operation and Maintenance of Plant	983,587	947,090	36,497
Pupil Transportation	27,866	22,297	5,569
Central	0	0	0
Non-Instructional Services	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	7,983,351	7,832,939	150,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(766,851)	(264,154)	502,697
Other Financing Sources (Uses)			
Operating Transfers In	0	0	0
Proceeds from Sale of Fixed Assets	0	4,919	4,919
Advances In	10,000	175,917	165,917
Operating Transfers Out	(151,970)	(151,689)	281
Refund of Prior Year Receipts	(2,500)	(2,080)	420
Advances Out	(318,500)	(284,882)	33,618
Other Financing Uses	0	0	0
Total Other Financing Sources (Uses)	(462,970)	(257,815)	205,155
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,229,821)	(521,969)	707,852
Fund Balances at Beginning of Year	1,557,531	1,557,531	0
Prior Year Encumbrances Appropriated	166,111	166,111	0
Fund Balances at End of Year	\$493,821	\$1,201,673	\$707,852

See accompanying notes to the general purpose financial statements.

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,445,488	\$1,234,705	(\$210,783)	\$0	\$0	\$0
0	0	0	0	0	0
11,000	35,638	24,638	0	0	0
0	602	602	0	0	0
0	501	501	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
89,000	82,368	(6,632)	0	0	0
<u>1,545,488</u>	<u>1,353,814</u>	<u>(191,674)</u>	<u>0</u>	<u>0</u>	<u>0</u>
31,034	33,432	(2,398)	0	0	0
101,169	79,119	22,050	0	0	0
297,489	242,205	55,284	0	0	0
301,455	249,288	52,167	0	0	0
302,681	296,780	5,901	0	0	0
165,813	134,494	31,319	0	0	0
0	0	0	0	0	0
117,088	54,686	62,402	0	0	0
6,895	4,265	2,630	0	0	0
25,563	19,053	6,510	0	0	0
8,452	5,440	3,012	0	0	0
71,108	69,830	1,278	0	0	0
148,821	142,158	6,663	0	0	0
0	0	0	0	0	0
0	0	0	50,281	50,281	0
0	0	0	12,428	12,428	0
<u>1,577,568</u>	<u>1,330,750</u>	<u>246,818</u>	<u>62,709</u>	<u>62,709</u>	<u>0</u>
<u>(32,080)</u>	<u>23,064</u>	<u>55,144</u>	<u>(62,709)</u>	<u>(62,709)</u>	<u>0</u>
12,780	12,780	0	62,709	62,709	0
0	0	0	0	0	0
10,968	284,867	273,899	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(126,709)	(126,709)	0	0	0	0
(56,902)	(56,902)	0	0	0	0
<u>(159,953)</u>	<u>113,946</u>	<u>273,899</u>	<u>62,709</u>	<u>62,709</u>	<u>0</u>
(192,033)	137,010	329,043	0	0	0
165,756	165,756	0	0	0	0
66,775	66,775	0	0	0	0
<u>\$40,498</u>	<u>\$369,541</u>	<u>\$329,043</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Wayne County Joint Vocational School District
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual (Budget Basis) (Continued)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 1999

	Capital Projects Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$0	\$0	\$0
Interest	0	0	0
Tuition and Fees	0	0	0
Rent	0	0	0
Gifts and Donations	0	0	0
Customer Services	0	0	0
Property and Other Local Taxes	0	0	0
Miscellaneous	0	0	0
Total Revenues	0	0	0
Expenditures			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Support services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	35,000	0	35,000
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Capital Outlay	201,114	0	201,114
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	236,114	0	236,114
Excess (Deficiency) of Revenues Over (Under) Expenditures	(236,114)	0	236,114
Other Financing Sources (Uses)			
Operating Transfers In	65,000	65,000	0
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Operating Transfers Out	0	0	0
Refund of Prior Year Receipts	0	0	0
Advances Out	0	0	0
Other Financing Uses	0	0	0
Total Other Financing Sources (Uses)	65,000	65,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(171,114)	65,000	236,114
Fund Balances at Beginning of Year	221,372	221,372	0
Prior Year Encumbrances Appropriated	1,114	1,114	0
Fund Balances at End of Year	\$51,372	\$287,486	\$236,114

See accompanying notes to the general purpose financial statements.

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$4,525,488	\$4,578,465	\$52,977
60,000	157,875	97,875
11,000	35,638	24,638
7,500	9,057	1,557
0	551	551
0	76,658	76,658
3,980,000	3,946,862	(33,138)
178,000	117,493	(60,507)
<u>8,761,988</u>	<u>8,922,599</u>	<u>160,611</u>

998,634	990,155	8,479
101,169	79,119	22,050
4,438,973	4,327,559	111,414
301,455	249,288	52,167
609,167	595,680	13,487
730,005	680,693	49,312
16,740	15,316	1,424
801,609	728,250	73,359
297,770	291,761	6,009
1,044,150	966,143	78,007
36,318	27,737	8,581
71,108	69,830	1,278
148,821	142,158	6,663
201,114	0	201,114
50,281	50,281	0
12,428	12,428	0

<u>9,859,742</u>	<u>9,226,398</u>	<u>633,344</u>
<u>(1,097,754)</u>	<u>(303,799)</u>	<u>793,955</u>

140,489	140,489	0
0	4,919	4,919
20,968	460,784	439,816
(151,970)	(151,689)	281
(2,500)	(2,080)	420
(445,299)	(411,681)	33,618
(56,202)	(56,902)	0
<u>(495,214)</u>	<u>(16,160)</u>	<u>479,054</u>

(1,592,968)	(319,959)	1,273,009
1,944,659	1,944,659	0
<u>234,000</u>	<u>234,000</u>	<u>0</u>
<u>\$585,691</u>	<u>\$1,358,700</u>	<u>\$1,273,009</u>

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Wayne County Joint Vocational School District
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Type
	<u>Enterprise</u>
<u>Operating Revenues:</u>	
Tuition	\$593,301
Sales	277,573
Charges for Services	178,462
Total Operating Revenue	<u>1,049,336</u>
<u>Operating Expenses:</u>	
Salaries	781,018
Fringe Benefits	199,456
Purchased Services	114,864
Materials and Supplies	181,615
Cost of Sales	98,012
Depreciation	20,648
Capital Outlay	6,498
Other Operating Expenses	1,300
Total Operating Expenses	<u>1,403,411</u>
Operating (Loss)	<u>(354,075)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Federal Donated Commodities	19,571
Interest	377
Federal and State Subsidies	440,177
Loss on Sale of Fixed Assets	(3,507)
Total Non-Operating Revenues (Expenses)	<u>456,618</u>
Income Before Operating Transfers	102,543
Operating Transfers In	<u>10,000</u>
Net Income	112,543
Retained Earnings at Beginning of Year	<u>499,086</u>
Retained Earnings at End of Year	<u><u>\$611,629</u></u>

See accompanying notes to the general purpose financial statements.

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Wayne County Joint Vocational School District
 Combined Statement of Cash Flows
 Proprietary Fund Type
 For the Year Ended June 30, 1999

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$204,915
Cash Received from Tuition Payments	599,851
Cash Received from Classroom Materials and Fees	64,890
Cash Received from Other Operating Sources	135,090
Cash Payments to Suppliers for Goods and Services	(401,496)
Cash Payments to Employees for Services	(855,442)
Cash Payments for Employee Benefits	(201,163)
Net Cash (Used for) Operating Activities	<u>(453,355)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Transfers In	10,000
Operating Grants Received	479,636
Short-Term Loans to Other Funds	(49,058)
Net Cash Provided by Noncapital Financing Activities	<u>440,578</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Payments for Capital Acquisitions	(57,621)
Net Cash (Used for) Capital and Related Financing Activities	<u>(57,621)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest on Investments	377
Net Cash Provided by Investing Activities	<u>377</u>
Net (Decrease) in Cash and Cash Equivalents	(70,021)
Cash and Cash Equivalents at Beginning of Year	405,707
Cash and Cash Equivalents at End of Year	<u>\$335,686</u>
Reconciliation of Operating (Loss) to Net Cash (Used for)	
<u>Operating Activities:</u>	
Operating (Loss)	(\$354,075)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for)	
<u>Operating Activities:</u>	
Depreciation	20,648
Donated Commodities Used During Year	19,571
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(3,245)
(Increase) Decrease in Intergovernmental Receivable	(41,344)
(Increase) Decrease in Materials and Supplies Inventory	(19,617)
Increase (Decrease) in Accounts Payable	837
Increase (Decrease) in Accrued Wages	(7,350)
Increase (Decrease) in Compensated Absences Payable	(65,666)
Increase (Decrease) in Intergovernmental Payable	(3,114)
Total Adjustments	<u>(99,280)</u>
Net Cash (Used for) Operating Activities	<u>(\$453,355)</u>

See accompanying notes to the general purpose financial statements.

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WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - DESCRIPTION OF THE ENTITY

The Wayne County Joint Vocational 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 District operates under an appointed nine-member Board of Education and provides educational services as mandated by state and/or federal agencies. The Board controls one instructional/support facility staffed by 39 noncertificated employees, 96 certificated full-time teaching personnel and 8 administrators who provide services to 657 students and other community members.

The Wayne County Joint Vocational School District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, 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 District operations form the oversight unit and will be included as part of the reporting entity.

The District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, under which the general purpose financial statements include all the organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District.

On this basis, the combined general purpose financial statements include all of the funds and account groups of the District over which the Board of Education exercises operating control. Management has determined the District has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of the Wayne County Joint Vocational School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

BASIS OF PRESENTATION - FUND ACCOUNTING

The District uses funds and account groups to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For general purpose financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the District:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities, except those accounted for in proprietary and fiduciary funds, are accounted for through governmental funds. The measurement focus is based upon the determination of financial position and changes in financial position. The following are the District's governmental fund types:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be expended for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District applies all applicable pronouncements from the Financial Accounting Standards Board (FASB) in accounting and reporting issued on or before November 30, 1989 for its proprietary operations. The following is the District's proprietary fund type:

Enterprise Funds

Enterprise funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The following is the District's fiduciary fund type:

Agency Funds

These funds are purely custodial in nature and thus do not involve the measurement of results of operations.

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the District, except those accounted for in the proprietary funds.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 are generally included on the Combined Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Combined Balance Sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used for reporting purposes by all governmental fund types and agency funds. Under this basis of accounting, the District recognizes revenues in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the District considers to be sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings and grants and entitlements.

The District reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 1999 operations, have been recorded as deferred revenue. In the proprietary fund type, unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on general long-term debt which is reported only when due, and the costs of accumulated unpaid vacation and sick leave which are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the fiscal year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than agency funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function for all funds, except the special revenue funds. The legal level of budgetary control is at the fund level for the special revenue funds. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. No later than January 20, the Board-adopted budget is filed with the Wayne County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the Appropriation Resolution. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding fiscal year. The Certificate may be further amended during the fiscal year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate issued for fiscal 1999.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education at the legal levels of budgetary control. Prior to the passage of the annual Appropriation Resolution, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter total object appropriations within functions must be approved by the Board of Education. The Board may pass supplemental appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

Formal budgetary integration is employed as a management control device during the fiscal year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted or as amended by the Board of Education throughout the fiscal year by supplemental appropriations which either reallocate, increase or decrease the original appropriated amounts. During the fiscal year, several supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the general purpose financial statements for proprietary funds.

Lapsing of Appropriations

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

CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet.

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

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$147,960, which includes \$56,528 assigned from other District funds.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents.

RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

INVENTORY

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund type when used. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food and non-food supplies and are expensed when used.

FIXED ASSETS AND DEPRECIATION

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical cost records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In proprietary funds, improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund type is computed using the straight-line method over an estimated useful life of eight to twenty years.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INTERGOVERNMENTAL REVENUES

In governmental funds, entitlements and non-reimbursable grants are recorded as receivables and revenues when measurable and available. Reimbursable grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants for proprietary fund operations are recognized as non-operating revenues when measurable and earned. The District currently participates in various State and Federal programs, as follows:

Grants and Entitlements

Entitlements

General Fund

State Foundation Program

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Even Start

Title VI

Pell Grant

Eisenhower Grant

School to Work Grant

Career Development

Education Management and Information System

Adult Basic Education

Vocational Education

Job Training Partnership Act

Professional Development

Consumer Education

Full Service Center

Reimbursable Grants

Special Revenue Funds

Tech-Prep Education

Enterprise Funds

School Lunch Program

School Breakfast Program

Job Training Partnership Act

Government Donated Commodities

Job Opportunities and Basic Skills Training

Trade Adjustment Assistance

SHORT-TERM INTERFUND ASSETS/LIABILITIES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Interfund Receivable/Payable".

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences". Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method when the following criterion is met.

1. The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the District's past experience of making termination payments for sick leave.

For governmental funds, that portion of the liability which is non-current is reported in the general long-term obligations account group. Liabilities that use current expendable resources are recorded in the fund from which the employees are paid. In proprietary funds, compensated absences are expensed when earned and the entire amount is reported as a fund liability.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. In general, payments made more than sixty days after fiscal year end are considered not to have been made with current available financial resources. Capital leases and long-term loans are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

FUND BALANCE RESERVES

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, property tax advances and budget stabilization.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ESTIMATES

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

TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balances are based upon generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Government Fund Types 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 GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the fiscal year on the budget basis to the GAAP basis are as follows:

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (continued)

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)				
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$(437,279)	\$ 30,059	\$ -0-	\$65,000
Net Adjustment for Revenue Accruals	368,375	300,107	-0-	-0-
Net Adjustment for Expenditure Accruals	(314,713)	(147,820)	-0-	-0-
Encumbrances	<u>(138,352)</u>	<u>(45,336)</u>	<u>-0-</u>	<u>-0-</u>
Budget Basis	<u>\$(521,969)</u>	<u>\$ 137,010</u>	<u>\$ -0-</u>	<u>\$65,000</u>

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

The following funds had a deficit fund balance caused by the recognition of expenditures and/or nonrecognition of revenues on the modified accrual basis of accounting which substantially differs from those recognized on the cash basis of accounting:

Fund	Deficit
Special Revenue	
Job Training Partnership Act	\$14,238
Vocational Education	945

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits and investments are restricted by provisions of the Ohio Revised Code. State statutes require the classification of monies held by the 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 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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

Protection of the 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 District, and must be purchased with the expectation that it will be held to maturity.

WAYME COUNTY JOINT VOCATIONAL SCHOOL DISTRICT *
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At fiscal year end, the District had \$350 in undeposited cash on hand which is included on the Combined Balance Sheet of the District as part of "Equity in Pooled Cash and Cash Equivalents".

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

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$1,827,524 and the bank balance was \$2,046,713. Of the bank balance:

1. \$300,000 was covered by federal depository insurance; and
2. \$1,746,713 was held in collateral pools with no specification for whom such funds are held which is considered to be uninsured and uncollateralized as defined by GASB Statement No. 3. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Investments

The District's investments are categorized below to give an indication of the level of credit risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

	1	Category 2	3	Fair Value
Overnight Repurchase Agreements	\$ -	\$ -	\$580,000	\$580,000
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$580,000</u>	<u>\$580,000</u>

The classification of cash and cash equivalents on the combined general purpose financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A reconciliation between the classifications of cash and cash equivalents on the combined general purpose financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$2,407,874	\$ -0-
Investments in the Cash Management Pool:		
Overnight Repurchase Agreements	(580,000)	580,000
Cash on Hand	<u>(350)</u>	<u>-0-</u>
GASB Statement No. 3	<u>\$1,827,524</u>	<u>\$ 580,000</u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a subsequent fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property used in business located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1, and are collected with real property taxes. Assessed values for real property are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 100% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the previous year. Tangible personal property assessments are 25% of true value.

The assessed values upon which the fiscal year 1999 taxes were collected are:

1998 Second Half

	Wayne County	Medina County	Holmes County	Stark County	Ashland County	Grand Total	%
Real Property:							
Residential/Agricultural	\$ 954,606,640	\$ 3,929,640	\$17,275,750	\$32,780	\$2,980,490	\$ 978,825,300	62.51
Commercial/Industrial	239,056,200	3,013,130	2,912,080	-0-	189,290	245,170,700	15.66
Public Utilities	596,400	2,640	-0-	-0-	-0-	599,040	0.04
Tangible Personal Property:							
General	241,920,948	771,640	5,247,930	580	2,560	247,943,658	15.84
Public Utilities	<u>90,555,260</u>	<u>447,260</u>	<u>1,567,940</u>	<u>1,450</u>	<u>525,210</u>	<u>93,097,120</u>	<u>5.95</u>
Total Assessed Valuation	<u>\$1,526,735,448</u>	<u>\$ 8,164,310</u>	<u>\$27,003,700</u>	<u>\$34,810</u>	<u>\$3,697,550</u>	<u>\$1,565,635,818</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed Valuation		\$4.10					

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 6 - PROPERTY TAXES (continued)

1999 First Half

	Wayne County	Medina County	Holmes County	Stark County	Ashland County	Grand Total	%
Real Property:							
Residential/Agricultural	\$ 979,245,940	\$ 4,466,070	\$22,832,820	\$32,780	\$3,039,980	\$1,009,617,590	62.05
Commercial/Industrial	258,815,960	3,035,870	3,213,370	-0-	176,700	265,241,900	16.30
Public Utilities	606,780	2,910	-0-	-0-	-0-	609,690	0.04
Tangible Personal Property:							
General	249,129,547	1,339,600	6,846,080	7,280	7,928	257,330,435	15.82
Public Utilities	91,767,210	413,630	1,596,280	470	544,200	94,321,790	5.79
Total Assessed Valuation	\$1,579,565,437	\$ 9,258,080	\$34,488,550	\$40,530	\$3,768,808	\$1,627,121,405	100.00%
Tax rate per \$1,000 of Assessed Valuation		\$4.10					

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Wayne, Medina, Holmes, Stark and Ashland County Treasurers collect property tax on behalf of all taxing districts within the Counties. The County Auditors periodically advance to the District their portion of the taxes collected. The amount available to the District as an advance at June 30, 1999, is available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 was \$76,627. The entire amount was available to the general fund. The amount available as an advance at June 30 is also reflected as a reservation of fund balance for future appropriations.

NOTE 7 - RECEIVABLES

Receivables at June 30, 1999 consisted of taxes, accounts, accrued interest, intergovernmental entitlements and grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the items of intergovernmental receivables follows:

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 7 - RECEIVABLES (continued)

Intergovernmental Receivables	Amount
General Fund	<u>\$ 56,946</u>
Special Revenue Funds	
Consumer Education	1,800
Career Development	9,122
Full Service Center	2,996
Job Training Partnership Act	8,160
Vocational Education	56,912
Miscellaneous Federal Grants	<u>47,191</u>
Total	<u>126,181</u>
Enterprise Fund	
Food Service	4,444
Adult Education	<u>56,156</u>
Total	<u>60,600</u>
Total Intergovernmental Receivables	<u>\$243,727</u>

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 1999 follows:

Furniture and Equipment	\$ 454,921
Less: Accumulated Depreciation	<u>(345,164)</u>
Net Fixed Assets	<u>\$ 109,757</u>

A summary of the changes in general fixed assets follows:

	Balance 7/01/98	Additions	Reductions	Balance 6/30/99
Land	\$ 631,834	\$ -0-	\$ -0-	\$ 631,834
Buildings and Improvements	4,665,767	-0-	-0-	4,665,767
Furniture and Equipment	3,852,606	236,061	(78,895)	4,009,772
Vehicles	<u>411,937</u>	<u>24,335</u>	<u>(24,960)</u>	<u>411,312</u>
Total	<u>\$9,562,144</u>	<u>\$ 260,396</u>	<u>\$(103,855)</u>	<u>\$ 9,718,685</u>

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 9 - RISK MANAGEMENT

General Insurance

The 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 District has a comprehensive property and casualty policy with a deductible of \$1,000 per incident. The District's vehicle liability insurance policy limit is \$1,000,000 for each occurrence with a \$250 collision deductible. All administrators and employees are covered under a District liability policy. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction of coverage from the prior fiscal year.

Fidelity Bond

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

Workers' Compensation

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

NOTE 10 - CAPITAL LEASES

During the year ended June 30, 1998, the District entered into a lease agreement for computer equipment for the Mobile Technology Lab. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases". Accordingly, this lease has been recorded at the present value of their future minimum lease payments, as of the inception date, in the general fixed assets account group and the general long-term obligations account group.

The following is a schedule of the future minimum lease payments and the present value of the minimum lease payments as of June 30, 1999:

Fiscal year ending June 30,	Lease Payments
2000	\$28,945
2001	28,945
2002	7,238
Total minimum lease payments	65,128
Less: Amount representing interest	(5,703)
Present value of net minimum lease payments	<u>\$59,425</u>

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 11 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the District from July 1, 1998 through June 30, 1999 were as follows:

Issue	Balance 7/01/98	Additions	Reductions	Balance 6/30/99
<u>GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP</u>				
Food Processing Building Loan 0.00%; 12/92 - 12/07	\$ 83,577	\$ -0-	\$ (8,798)	\$ 74,779
Energy Conservation Loan 5.25%; 11/93 - 11/03	253,656	-0-	(41,584)	212,072
Intergovernmental Payable	13,767	16,544	(13,767)	16,544
Compensated Absences Payable	554,963	-0-	(386,098)	168,865
Capital Leases Payable	<u>82,603</u>	<u>-0-</u>	<u>(23,178)</u>	<u>59,425</u>
Total General Long-term Obligations	<u>\$ 988,566</u>	<u>\$ 16,544</u>	<u>\$(473,425)</u>	<u>\$531,685</u>

The debt service fund is being used to repay both the Food Processing Building Loan and the Energy Conservation Loan. "Intergovernmental Payable" and "Compensated Absences Payable" will be paid from the fund from which the employee is paid. The Food Processing Building Loan is an interest free loan from the State of Ohio. The loan was made in fiscal year 1993 in the amount of \$181,111. In fiscal year 1994, the District was given approval to borrow monies under H.B. 264 for an Energy Retrofit Project. The District borrowed \$418,705 from First National Bank at a stated rate of interest of 5.25%. Principal and interest requirements to maturity for the loans are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2000	\$ 52,591	\$ 10,118	\$ 62,709
2001	54,973	7,736	62,709
2002	57,456	5,253	62,709
2003	60,073	2,636	62,709
2004	30,968	293	31,261
Thereafter	<u>30,790</u>	<u>-0-</u>	<u>30,790</u>
Total	<u>\$ 286,851</u>	<u>\$ 26,036</u>	<u>\$ 312,887</u>

Both loans are backed by the full faith and credit of the District.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 1999 is as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$284,868	\$ -0-
Special Revenue		
Consumer Education	-0-	1,800
Career Development	-0-	9,168
Full Service Center	-0-	3,000
Job Training Partnership Act	-0-	44,641
Vocational Education	-0-	60,703
Pell Grant	-0-	6,000
Even Start	-0-	78,379
Miscellaneous Federal Grants	-0-	81,177
Total	<u>\$284,868</u>	<u>\$284,868</u>

NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains three enterprise funds which are operated on a sales basis: food services, uniform school supplies and adult education. The table below reflects the more significant financial information relating to the enterprise funds of the Wayne County Joint Vocational School District for the year ended June 30, 1999:

	Food Service	Uniform School Supplies	Adult Education	Total
Operating revenues	\$116,581	\$ 82,472	\$ 850,283	\$ 1,049,336
Operating expenses before depreciation	156,789	65,192	1,160,782	1,382,763
Depreciation	5,732	-0-	14,916	20,648
Operating income/(loss)	(45,940)	17,280	(325,415)	(354,075)
Federal donated commodities	19,571	-0-	-0-	19,571
Federal and State subsidies	35,668	-0-	404,509	440,177
Interest	377	-0-	-0-	377
Loss on sale of fixed assets	-0-	-0-	(3,507)	(3,507)
Transfer In	-0-	-0-	10,000	10,000
Net income	9,676	17,280	85,587	112,543
Net working capital	44,844	111,085	345,943	501,872
Total Assets	60,759	111,085	538,019	709,863
Total Equity	50,822	111,085	449,722	611,629
Encumbrances at June 30, 1999	678	1,220	22,979	24,877

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 14 - RETIREMENT PLANS

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established and may be amended by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.02 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$98,592, \$101,597 and \$100,089, respectively; 81.6 percent has been contributed for fiscal year 1999 and 100 percent has been contributed for fiscal years 1998 and 1997. \$30,741, representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit pension plan administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established and may be amended by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$323,342, \$530,094 and \$777,693, respectively; 90.8 percent has been contributed for fiscal year 1999 and 100 percent has been contributed for fiscal years 1998 and 1997. \$68,426, representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS

School Employees Retirement System

SERS provides postretirement health care coverage to retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than 25 years of qualified service credit pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The Ohio Revised Code provides statutory authority requiring school employers to fund postretirement health care through their contributions to SERS. At June 30, 1999, the allocation rate was 4.98 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay was established at \$12,400. The surcharge rate, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the District, the amount to fund health care benefits, including surcharge, equaled \$68,849 during the 1999 fiscal year.

The health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125 percent of annual health care expenses. At June 30, 1998 (the latest information available), the retirement system's expenses for health care were \$111,900,575 and the target level was \$139.9 million, and the net assets were \$160.3 million, at cost. The number of participants receiving health care benefits at June 30, 1998 was approximately 50,000.

State Teachers Retirement System

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the District, the amount to fund health care benefits equaled \$431,073 during the 1999 fiscal year. The balance in the Health Care Reserve Fund was \$2,156 million at June 30, 1998 (the latest information available). For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000. The number of eligible benefit recipients receiving health care benefits at June 30, 1998, was 91,999.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 16 - 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 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 amount of accumulated vacation and sick leave of employees paid from governmental funds that meet the eligibility requirements has been recorded in the appropriate governmental funds as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources.

The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds are recorded as an expense and liability of the fund when earned.

NOTE 17 - JOINTLY GOVERNED ORGANIZATION

The Midland Council of Governments is a jointly governed organization among twenty-two boards of education. The Council of Governments was formed to provide efficient and cost effective computer and data processing services to member boards. Financial support for the Council of Governments is provided by member fees levied according to the number of students within each member's respective district. The Executive Committee determines and sets the fees for all services.

Representation on the Council of Governments consists of one member appointed by each member board of education. The representative shall be either the Superintendent, Assistant Superintendent or Treasurer of the member district board of education. The Council of Governments is governed by the Executive Committee who are 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 18 - CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 18 - CONTINGENCIES (continued)

Litigation

The District is party to legal proceedings. The District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

NOTE 19 - STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$2,861,408 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined whether they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State foundation funding and on its financial operations.

NOTE 20 - REQUIRED BUDGET SET ASIDES

The District is required by State statute to annually set aside an amount based on prior fiscal year revenues for the purpose of textbooks and other instructional materials and an additional amount for capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. Amounts are also to be set aside for the budget stabilization reserve if the District's base amount use for the yearly set aside calculation increases three percent or more from the prior fiscal year. This amount is to be included in the budget stabilization reserve.

The following information describes the changes in the amounts set aside for budget stabilization, textbooks and instructional materials and capital improvements from the end of the prior fiscal year to the end of the current fiscal year.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 20 - REQUIRED BUDGET SET ASIDES (continued)

	Budget Stabilization Set Aside	Textbook/ Instructional Set Aside	Capital Improvements Set Aside
Set Aside Cash Balance as of June 30, 1998	\$ 53,095	\$ -0-	\$ -0-
Current Fiscal Year Set Aside Requirement	64,008	128,128	128,128
Qualifying Expenditures	-0-	(381,834)	(176,520)
Current Fiscal Year Offsets	-0-	-0-	(65,000)
Total	<u>\$117,103</u>	<u>\$(253,706)</u>	<u>\$(113,392)</u>
Cash Balance Carried Forward to Fiscal Year 2000	<u>\$117,103</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Since the qualifying expenditures and offsets for the textbook/instructional materials and capital improvements set aside exceeded the fiscal year 1999 requirement, no amount will be carried forward to the next fiscal year.

Amounts remaining at fiscal year end have been set aside to satisfy statutory requirements. They are represented by cash and cash equivalents and are presented as restricted assets on the Combined Balance Sheet. Corresponding amounts are reported as reserves of fund balance.

NOTE 21 - YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the District's operations as early as fiscal year 1999.

As of June 30, 1999, the District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll, employee benefits, educational statistics reporting [through the State's Education Management and Information System (EMIS)], Pell Grant reporting, hardware and adult education accounts receivable software. The District has one school building with power systems which have extensive efficiency utilization measures within the systems.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, the State of Ohio Uniform Payroll System software for its payroll and employee benefits and the State's EMIS for its educational statistics reporting. The State is responsible for remediating these systems.

The State of Ohio distributes a substantial sum of money to the District in the form of "foundation" and Federal and State grant payments. The State is responsible for remediating these systems.

Wayne, Medina, Holmes, Stark and Ashland Counties collect property taxes for distribution to the District. Wayne, Medina, Holmes, Stark and Ashland Counties are responsible for remediating their tax collection systems.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 21 - YEAR 2000 ISSUE (continued)

The District uses the United States Department of Education's system for Pell Grant reporting purposes, and the United States Department of Education distributes a substantial sum of money to the District in the form of Pell Grant payments. The United States Department of Education is responsible for remediating these systems.

The District is currently remediating all electronic equipment it identified as necessary to conducting District operations. Validation and testing of this equipment have yet to be completed.

The District is also currently remediating the adult education accounts receivable software it identified as necessary to conducting District operations. Validation and testing of this system have yet to be completed.

The District is also currently remediating its power systems. Validation and testing of these systems have yet to be completed. Remaining contracted amounts of \$9,401 were committed to this project as of June 30, 1999.

To the best of management's knowledge and belief, as of January 3, 2000, the District experienced no significant interruption of mission critical operations or services related to the Year 2000 Issue. However, because of the unprecedented nature of the Year 2000 Issue, matters may yet arise, and parties with whom the District does business may also experience Year 2000 readiness issues that are as yet, unknown.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the general purpose financial statements of the Wayne County Joint Vocational School District, as of and for the year ended June 30, 1999, and have issued our report thereon dated January 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Wayne County Joint Vocational School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Wayne County Joint Vocational School District in a separate letter dated January 3, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Wayne County Joint Vocational School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (continued)

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

January 3, 2000

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

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

Compliance

We have audited the compliance of the Wayne County Joint Vocational School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The Wayne County Joint Vocational School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Wayne County Joint Vocational School District's management. Our responsibility is to express an opinion on the Wayne County Joint Vocational School District's compliance based on our audit.

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

In our opinion, the Wayne County Joint Vocational School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over compliance that we have reported to management in a separate letter dated January 3, 2000.

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

January 3, 2000

Wayne County Joint Vocational School District
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Disbursements
U.S. Department of Agriculture				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Food Distribution	10.550	---	\$17,613	\$19,571
School Breakfast Program	10.553	---	1,836	1,836
National School Lunch Program	10.555	---	28,213	28,213
Total U.S. Department of Agriculture - Child Nutrition Cluster			47,662	49,620
U.S. Department of Education				
Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	---	129,056	133,776
<i>Passed Through Ohio Department of Education:</i>				
Eisenhower Professional Development State Grants	84.281	051714-MS-S1-98C	0	814
Eisenhower Professional Development State Grants	84.281	051714-MS-S1-98	1,616	696
Eisenhower Professional Development State Grants	84.281	051714-MS-S1-97C	0	600
Total Eisenhower			1,616	2,110
Vocational Education - Basic Grants to States	84.048	051714-20-A4-00	23,167	24,590
Vocational Education - Basic Grants to States	84.048	051714-20-A5-00	12,750	14,807
Vocational Education - Basic Grants to States	84.048	051714-20-C1-00	298,509	306,200
Vocational Education - Basic Grants to States	84.048	051714-20-C2-00	64,460	64,825
Total Vocational Education			398,886	410,422
Innovative Education Program Strategies (ESEA Title VI)	84.298	051714-C2-S1-99	2,479	2,479
Adult Education - State Grant Program	84.002	051714-AB-S1-99	55,320	34,521
Adult Education - State Grant Program	84.002	051714-AB-SD-99	16,724	9,603
Adult Education - State Grant Program	84.002	051714-AB-S1-98C	3,000	109
Adult Education - State Grant Program	84.002	051714-AB-S1-98	13,285	15,971
Adult Education - State Grant Program	84.002	051714-AB-SD-98C	0	1,683
Adult Education - State Grant Program	84.002	051714-AB-SD-98	0	2,177
Total Adult Education			88,329	64,064
Even Start - State Educational Agencies	84.213	051714-EV-S3-99	117,565	109,376
Even Start - State Educational Agencies	84.213	051714-EV-S2-98C	19,598	17,600
Even Start - State Educational Agencies	84.213	051714-EV-S2-98	58,782	53,938
Total Even Start			195,945	180,914
<i>Passed Through Ohio Department of Education</i>				
<i>Passed Through University of Akron:</i>				
Tech-Prep Education	84.243	---	43,125	74
<i>Passed Through Ohio Department of Education/ Passed Through Ohio State University:</i>				
Tech-Prep Education	84.243	---	4,000	4,000
Total Tech-Prep Education			47,125	4,074
Total U.S. Department of Education			\$863,436	\$797,839

(continued)

Wayne County Joint Vocational School District
 Schedule of Expenditures of Federal Awards (Continued)
 For the Fiscal Year Ended June 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Disbursements
U.S. Department of Health and Human Services				
<i>Passed Through Ohio Department of Education:</i>				
Job Opportunities and Basic Skills Training (ABLE/JOBS Service Expansion)	93.561	---	\$0	\$2,046
Job Opportunities and Basic Skills Training (ABLE/JOBS Service Expansion)	93.561	051714-JB-S1-97	202	0
Total U.S. Department of Health and Human Services			202	2,046
U.S. Department of Labor				
<i>Passed Through Ohio Bureau of Employment Services, Joint Training Partnership Division ("Power Ohio")/Passed Through Joint Training Partnership Ohio Service Delivery Area #23:</i>				
Job Training Partnership Act Cluster:				
Job Training Partnership Act	17.250	---	110,211	96,598
Employment and Training Assistance - Dislocated Workers	17.246	---	44,176	43,826
Total Job Training Partnership Act Cluster			154,387	140,424
<i>Passed Through Ohio Department of Education:</i>				
Employment Services and Job Training - Pilot and Demonstration Programs (School to Work)	17.249	051714-WK-BE-00	86,483	81,259
Employment Services and Job Training - Pilot and Demonstration Programs (School to Work)	17.249	051714-99B0903	0	20,259
Employment Services and Job Training - Pilot and Demonstration Programs (School to Work - Adult Workforce Development Grant)	17.249	---	27,000	24,942
<i>Passed Through Ohio Department of Education/ Passed Through Akron Regional Development Board:</i>				
Employment Services and Job Training - Pilot and Demonstration Programs (School to Work)	17.249	---	8,400	14,180
Total School to Work			121,883	140,640
<i>Passed Through Ohio Bureau of Employment Services:</i>				
Trade Adjustment Assistance - Workers	17.245	---	35,183	35,183
Total U. S. Department of Labor			311,453	316,247
Total Federal Assistance			\$1,222,753	\$1,165,752

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Wayne County Joint Vocational School District's federal award programs. The schedule has been prepared on the cash basis of accounting, except for the activity related to the Job Training Partnership Act Cluster. The activity related to the Job Training Partnership Act Cluster is presented on the GAAP (accrual) basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the Wayne County Joint Vocational School District had no significant food commodities in inventory.

NOTE C - JOB TRAINING PARTNERSHIP ACT CLUSTER

The \$154,387 of receipts is net of \$2,923 of funds returned directly to the Job Training Partnership Ohio Service Delivery Area #23 from the Wayne County Joint Vocational School District.

NOTE D - TECH-PREP EDUCATION

Monies are commingled with State grants. It cannot be determined how much of the Tech-Prep Education monies is federal monies.

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505

JUNE 30, 1999

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for the major federal program?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for the major federal program?	No
(d)(1)(v)	Type of Major Program Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §510?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 §505
 (CONTINUED)

(d)(1)(vii)	Major Program:	Vocational Education - Basic Grants to States, CFDA #84.048
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO

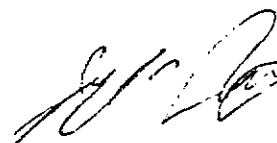
Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)

1. Fiscal year ending date for this submission mm/dd/yy 6/30/99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 34-1000350 b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
6. AUDITEE INFORMATION		7. AUDITOR INFORMATION (To be completed by auditor)	
a. Auditee name WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT		a. Auditor name GARY B. FINK & ASSOCIATES, INC.	
b. Auditee address (Number and street) Street 518 WEST PROSPECT STREET City SMITHVILLE State OHIO ZIP Code 44677		b. Auditor address (Number and street) Street 111 BROAD STREET, SUITE 206 City WADSWORTH State OHIO ZIP Code 44281	
c. Auditee contact Name JEFFREY SLUTZ Title TREASURER		c. Auditor contact Name SCOTT K. VARNEY Title MANAGER	
d. Auditee contact telephone 330-669-2134		d. Auditor contact telephone 330-336-1706	
e. Auditee contact FAX (Optional) 330-669-3846		e. Auditor contact FAX (Optional) 330-334-5118	
f. Auditee contact E-mail (Optional)		f. Auditor contact E-mail (Optional) GBFINC@AOL.COM	

g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has:


(1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

 1/26/00

Signature of certifying official Date Month Day Year

Name/Title of certifying official

g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

 1/26/00

Signature of auditor Date Month Day Year

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation	83 <input type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
02 <input type="checkbox"/> Agency for International Development	34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
10 <input type="checkbox"/> Agriculture	39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
11 <input type="checkbox"/> Commerce	93 <input type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
94 <input type="checkbox"/> Corporation for National and Community Service	14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input type="checkbox"/> Transportation
12 <input type="checkbox"/> Defense	03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
34 <input checked="" type="checkbox"/> Education	04 <input type="checkbox"/> Inter-American Foundation	47 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
31 <input type="checkbox"/> Energy	15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
36 <input type="checkbox"/> Environmental Protection Agency			<input type="checkbox"/> Other - Specify:

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No -SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs §_520(b)?
\$300,000

3. Did the auditee qualify as a low-risk auditee (§_530)?
 1 Yes 2 No

4. Are there any audit findings required to be reported under §_510(a)?
 1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 34 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 31 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 36 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input checked="" type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
10.550	FOOD DISTRIBUTION	\$19,571	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
10.553	SCHOOL BREAKFAST PROGRAM	\$1,836	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
10.555	NATIONAL SCHOOL LUNCH PROGRAM	\$28,213	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.063	FEDERAL PELL GRANT PROGRAM	\$133,776	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.281	EISENHOWER PROFESSIONAL DEVELOPMENT STATE GRANTS	\$2,110	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.048	VOCATIONAL EDUCATION - BASIC GRANTS TO STATES	\$410,422	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.298	INNOVATIVE EDUCATION PROGRAM STRATEGIES (ESEA TITLE VI)	\$2,479	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.002	ADULT EDUCATION - STATE GRANT PROGRAM	\$64,064	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.213	EVEN START - STATE EDUCATIONAL AGENCIES	\$180,914	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.243	TECH-PREP EDUCATION	\$4,074	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
TOTAL FEDERAL AWARDS EXPENDED		\$SEE NEXT PAGE					

7. AUDIT FINDINGS AND QUESTIONED COSTS

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

7. AUDIT FINDINGS AND QUESTIONED COSTS

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
93.561	JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (ABLE/JOBS SERVICE EXPANSION)	\$2,046	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.250	JOB TRAINING PARTNERSHIP ACT	\$96,598	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.246	EMPLOYMENT AND TRAINING ASSISTANCE - DISLOCATED WORKERS	\$43,826	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.249	EMPLOYMENT SERVICES AND JOB TRAINING - PILOT AND DEMONSTRATION PROGRAMS (SCHOOL TO WORK)	\$140,640	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.245	TRADE ADJUSTMENT ASSISTANCE - WORKERS	\$35,183	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
TOTAL FEDERAL AWARDS EXPENDED		\$1,165,752					

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of funds
- I. Procurement
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None

³ Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

WAYNE COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

WAYNE COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: MARCH 16, 2000