

WAYNE CENTRAL SCHOOL DISTRICT BOARD OF EDUCATION MEETING AGENDA



November 1, 2007 7:00 p.m. District Office Conference Room

6:00 Tour of Athletic Fields, Maintenance Building, Transportation Facility

7:00 Call to Order
Pledge of Allegiance

7:05 Approval of Agenda/Approval of Minutes

[Att. 1](#)

7:10 Public Comment

7:15 Board Member Comments

7:20 Board President Comments

7:25 Action Item

7:30 Superintendent's Report

1. International Baccalaureate Program Update
2. Science Textbook Adoption
3. NYSSBA Annual Convention Report
4. Sales Tax Issue Update
5. Student Questions
6. Student Representative

[Att. 2](#)

8:45 Board Action

1. Approve Personnel Action
2. Approve CSE/CPSE Action
3. Consensus Agenda:
 1. Approve Treasurer's Reports
 2. Approve Science Textbook
 3. Adopt Resolution on Monroe County Sales Tax
 4. Adopt Resolution for Participation on DKR Tax Certiorari
 5. Adopt Policy Committee Charge

[Att. 3](#)

[Att. 4](#)

[Att. 5](#)

8:55 Audit Committee Report

[Att. #6](#)

9:05 Public Comment

9:10 Board Member Comments

9:15 Adjournment

Next Meeting Date: November 15, 2007

7:00 p.m.

District Office Conference Room

District Mission Statement

Based on the belief that all students can learn, the staff of the Wayne Central School District accepts the responsibility to teach all students, regardless of differences, the fundamental skills. We further accept the responsibility to challenge all students to attain higher levels of achievement. Wayne Central will provide the opportunity, environment, and encouragement to meet this goal while developing the whole child, physically, socially, emotionally, and culturally.

**WAYNE CENTRAL SCHOOL DISTRICT
Ontario Center, New York 14520**

BOARD OF EDUCATION MINUTES

UNOFFICIAL UNTIL APPROVED

DATE: Thursday, October 11, 2007

TIME: 7:00 p.m.

TYPE: Regular Business Meeting

PLACE: Ontario Primary School

PRESENT: Trustees Griswold, Newman, Nicholson, Robusto, Schultz & Triou; District Clerk Switzer; Administrators Havens, Siracuse, Armitage, Derse, Shaffer, La Ruche, Schiek, Atseff, Cox, Callahan & Blankenberg

ABSENT: Trustees Johnson, Lyke & Wyse

GUESTS: Visitor's Roster filed in clerk's agenda file, this meeting

I. CALL TO ORDER: 7:00 p.m. by Frank Robusto, Jr., School Board President

Prior to start of the business meeting, trustees and school personnel conducted a tour of the building to fulfill the requirement of §1705 of the Education Law for annual building visits.

II. PLEDGE OF ALLEGIANCE

III. RECOGNITION OF RETIREES

Mr. Robusto noted that the Board of Education looks forward to the recognition of retirees each year to acknowledge the very important roles they play for our schools and community.

Mr. Triou offered a **MOTION**, seconded by Mr. Schultz, to adopt **RESOLUTIONS** in recognition of retirees at the conclusion of the preceding school year, **TO WIT:**

**RESOLUTION COMMENDING THOMAS GENTILE
UPON THE OCCASION OF HIS RETIREMENT
IN THE FIELD OF PHYSICAL EDUCATION**

WHEREAS, Thomas Gentile has retired effective June 30, 2007, and

WHEREAS, said retirement concludes a career of 32 years of service to the Wayne Central School District, and

WHEREAS, Thomas Gentile served the students and families of Wayne Central High School, and the residents of the community, as a physical education teacher, and

WHEREAS, Thomas Gentile developed a positive attitude for physical fitness where students learned to understand and appreciate the importance of maintaining a healthy body and was someone who recognized that students respond well to high expectations through a consistent message and support from parents, and

WHEREAS, Thomas Gentile demonstrated his passion for soccer by initiating the Little Guys community soccer program and by coaching at all levels of interscholastic soccer where he oversaw many successful teams, and

WHEREAS, Thomas Gentile also coached tennis where he emphasized to students the importance of continuing this lifetime sport as a way of maintaining good health, and

WHEREAS, Thomas Gentile understood the importance of teamwork and nature as a part of good health and took groups of students on “Ropes” courses and hiking in the peaks of the Adirondack Mountains, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Thomas Gentile is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Thomas Gentile and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING DIANE CAMERON
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF READING EDUCATION**

WHEREAS, Diane Cameron has retired effective June 30, 2007, and

WHEREAS, said retirement concludes a career of 31 years of service to the Wayne Central School District, and

WHEREAS, Diane Cameron served the students and families of Ontario Primary School, Ontario Elementary School, Thomas C. Armstrong Middle School, and the residents of the community, as a reading teacher, and

WHEREAS, Diane Cameron contributed long hours to her classroom each day with careful attention to individual student needs and encouraged elementary level children to take responsibility for their learning, and

WHEREAS, Diane Cameron participated in leadership and supportive roles through programs such as “Great Books” and the district spelling bee, and

WHEREAS, Diane Cameron shared her reading expertise with teachers by spending many hours conferencing with them and finding appropriate materials to aid in their teaching and further served the school district through membership on various committees including principal’s advisory council, basal reader adoption committee and the pupil personnel services committee, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Diane Cameron is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Diane Cameron and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING JANICE BAXTER
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF TEACHER AIDE & TYPIST**

WHEREAS, Janice Baxter has retired effective September 18, 2007, and

WHEREAS, said retirement concludes a career of 10 years of service to the Wayne Central School District, and

WHEREAS, Janice Baxter served the students and families of Wayne Central School District, and the residents of the community, as a typist in the student services’ office and as a teacher aide at Ontario Primary School, and

WHEREAS, Janice Baxter was respected for her expertise in helping the student services’ office as it implemented the SASI student information system used to track district students, and

WHEREAS, Janice Baxter was known as someone who always had a ready smile or amusing story and someone who cheered up the student services’ office with her homegrown flowers, and

WHEREAS, Janice Baxter was loved by her students at Ontario Primary School and was skilled in working with children in small groups, and

WHEREAS, Janice Baxter was always willing to learn new strategies and new computer software to help her students become better learners, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Janice Baxter is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Janice Baxter and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING JOANNE HUFF
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF
TEACHER AIDE & TEACHING ASSISTANT**

WHEREAS, Joanne Huff has retired effective June 30, 2007, and

WHEREAS, said retirement concludes a career of 11 years of service to the Wayne Central School District, and

WHEREAS, Joanne Huff served the students and families of Thomas C. Armstrong Middle School, and the residents of the community, as a teacher aide and a teaching assistant, and

WHEREAS, Joanne Huff was respected for her work in the area of reading, in particular helping students who struggled in learning to read, and

WHEREAS, Joanne Huff organized middle school events such as the Edward R. Currier Luncheon and Award Ceremony, academic awards night, commended students' breakfasts and open house, and

WHEREAS, Joanne Huff was known as a motivated, efficient and professional staff member in all she did and someone who was perceived as a leader by all the middle school staff members and was someone whom the middle school administration relied upon, and

WHEREAS, Joanne Huff was willing to share her leadership skills by serving on a number of committees including, building planning team, home-school partnership, ice cream social planning and memorial day assembly, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Joanne Huff is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Joanne Huff and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING FRANCENE Mc CARTHY
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF SPECIALEDUCATION**

WHEREAS, Francene McCarthy has retired effective June 30, 2007, and

WHEREAS, said retirement concludes a career of 23 years of service to the Wayne Central School District, and

WHEREAS, Francene McCarthy served the students and families of Ontario Elementary School and Thomas C. Armstrong Middle School as a special education teacher, and

WHEREAS, Francene McCarthy had extensive knowledge of the special education program and the developmental needs of the children she taught and was respected for her ability to motivate and encourage the district's most fragile learners, and

WHEREAS, every day, for many years, Francene McCarthy provided all staff members a Hopeworks asset-building message to inspire their work with children, and modeled those messages around students by starting a service club for them, and

WHEREAS, Francene McCarthy continued her work with special education children each summer through a summer skills' program that she developed to prepare children to be successful during the regular school year, and

WHEREAS, Francene McCarthy shared her knowledge and skills with the district through her work with such programs as Math-a-Thon, Read to Feed, Operation Christmas Child and safety patrol, and

WHEREAS, Francene McCarthy served in leadership roles within the district serving as the building sub-committee representative of the Committee on Special Education and a member of the Hopeworks' management team, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Francene McCarthy is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Francene McCarthy and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING PAULINA VANDERBROOK
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF SCHOOL SECRETARY**

WHEREAS, Paula VanderBrook has retired effective June 30, 2007, and

WHEREAS, said retirement concludes a career of 10 years of service to the Wayne Central School District, and

WHEREAS, Paula VanderBrook served the students and families of Ontario Elementary School, and the residents of the community, as the building secretary, and

WHEREAS, Paula VanderBrook created a warm and inviting environment for all who entered the office at Ontario Elementary School and developed a reputation for demonstrating care and respect for individual students and promoting respectful interactions among them, and

WHEREAS, Paula VanderBrook served as a role model for students and adults, setting high standards for herself and demonstrating a strong work ethic that was contagious to those who worked with her, and

WHEREAS, Paula VanderBrook was a highly confidential person who treated information regarding students, family and staff with the greatest care and discretion, and

WHEREAS, Paula VanderBrook was highly regarded for her work in managing the schedules, activities and styles of the four different principals that worked with her, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Paula VanderBrook is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Paula VanderBrook and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING GAYLE FLATT
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF SCHOOL BUS DRIVER**

WHEREAS, Gayle Flatt has retired effective June 30, 2007, and

WHEREAS, said retirement concludes a career of 26 years of service to the Wayne Central School District, and

WHEREAS, Gayle Flatt served the students and families of Wayne Central School District, and the residents of the community, as a school bus driver, and

WHEREAS, Gayle Flatt was kind and considerate towards her students and in turn earned their trust and respect, and

WHEREAS, Gayle Flatt was known to take pride in her bus and always kept it neat and tidy, and

WHEREAS, Gayle Flatt was respected as a careful driver who safely transported students during many winter snow storms, and

WHEREAS, Gayle Flatt was held in the highest esteem by her transportation supervisor who viewed her as one of his most professional drivers, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Gayle Flatt is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Gayle Flatt and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING GAIL JOHNSEN
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF SECOND LANGUAGE EDUCATION
(Spanish & French)**

WHEREAS, Gail Johnsen has retired effective January 26, 2007 and

WHEREAS, said retirement concludes a career of 16 ½ years of service to the Wayne Central School District, and

WHEREAS, Gail Johnsen served the students and families of Thomas C. Armstrong Middle School, and the residents of the community, as a Spanish and French teacher, and

WHEREAS, Gail Johnsen's planning and instructional practices reflected a thorough understanding of the foreign language curriculum and the strategies needed to ensure student success, and

WHEREAS, Gail Johnsen has earned the respect of her students by establishing clear standards of conduct and responding to students in a way that was appropriate and respectful of their dignity, and

WHEREAS, Gail Johnsen continued her professional learning by attending such programs as strengthening foreign language instruction, reading and writing in the LOTE classroom and practical strategies for working successfully with struggling students, and

WHEREAS, Gail Johnsen shared her skills and leadership through her work in planning foreign language dessert night, and serving on the instructional excellence committee, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Gail Johnsen is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Gail Johnsen and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

**RESOLUTION COMMENDING ROSEMARY SGABELLONE
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF SCHOOL NURSING**

WHEREAS, Rosemary Sgabellone has retired effective December 22, 2006, and

WHEREAS, said retirement concludes a career of 20 years of service to the Wayne Central School District, and

WHEREAS, Rosemary Sgabellone served the students and families of James A. Beneway High School, and the residents of the community, as a school nurse, and

WHEREAS, Rosemary Sgabellone was respected for her work in the area of nursing by her peers and provided mentoring to newer employees, and

WHEREAS, Rosemary Sgabellone was known as someone who cared about students and provided time and counsel to them during their time of need, and

WHEREAS, Rosemary Sgabellone demonstrated professionalism and confidentiality when dealing with students facing difficult issues, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Rosemary Sgabellone is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Rosemary Sgabellone and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 12, 2006.

**RESOLUTION COMMENDING BARBARA PELLEGRINO
UPON THE OCCASION OF HER RETIREMENT
IN THE FIELD OF SCHOOL BUS DRIVER**

WHEREAS, Barbara Pelligrino has retired effective February 1, 2007 and

WHEREAS, said retirement concludes a career of 26 years of service to the Wayne Central School District, and

WHEREAS, Barbara Pelligrino served the students and families of Wayne Central School District, and the residents of the community, as a school bus driver, and

WHEREAS, Barbara Pelligrino was respected by her students and parents as a caring person, and

WHEREAS, Barbara Pelligrino was someone who always kept her bus neat and tidy, and

WHEREAS, Barbara Pelligrino was always willing to lend a hand assisting others and subsequently contributing to a smooth running department, and

WHEREAS, Barbara Pelligrino was known as a tolerant, cooperative person who always considered others first, and

WHEREAS, the Board of Education recognizes that the contributions of each employee are essential to student achievement and success.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Wayne Central School District that the service of Barbara Pelligrino is recognized and commended, with grateful appreciation, and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Barbara Pelligrino and that the school district clerk is hereby directed to cause the text of this resolution to appear in the minutes of the Board of Education meeting of October 11, 2007.

On the question, the **RESOLUTIONS** were adopted by a vote of 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse).

Trustees shared duties to read into the record the customized resolutions for each of the retirees present and joined Mr. Havens and building principals in presentations of a framed certificate and a copy of the customized resolution to each retiree present.

Those present were Mrs. Vanderbrook, Mrs. Mc Carthy, Mrs. Huff, Mrs. Cameron and Mr. Gentile.

School trustees, school officials, families, friends and visitors acknowledged retirees by applause in recognition of the 206 years represented by these individuals.

IV. RECESS: 7:30 p.m.

Trustees, school officials and visitors joined retirees and their families for a reception in their honor.

V. RECONVENE: 7:50 p.m.

VI. APPROVAL OF AGENDA & MINUTES (September 27, 2007)

Mr. Havens withdrew the Spanish trip as an agenda topic and suggested replacement by discussions of the pending litigation on distribution of sales tax revenues by the County of Monroe. Mr. Triou offered a **MOTION**, seconded by Mr. Griswold, to approve the agenda for this evening's meeting, as revised, and the minutes of the meeting of September 27, 2007, as presented. 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse), Carried.

VII. PUBLIC COMMENT - None

VIII. BOARD MEMBER COMMENTS

A. Mrs. Newman extended **compliments** to all parties involved with planning and presentation of **Homecoming Weekend 2007** and noted the great spirit that was evident at the event.

B. Mr. Schultz noted that substantial interest was expressed at the recent **international baccalaureate open house** at the high school which was attended was by appx. thirty (30) families.

IX. BOARD PRESIDENT'S COMMENTS

A. Mr. Robusto stated his renewed **admiration for our school board and district** after hearing the challenges and issues as shared by presidents and vice-presidents at a recent meeting of same sponsored by the Four County School Boards Association

X. REPORT ON ACTION ITEMS BY THE SUPERINTENDENT OF SCHOOLS-None

XI. REPORTS OF THE SUPERINTENDENT OF SCHOOLS

A. INVITATION FROM NATIONAL HONOR SOCIETY

Mr. Havens introduced Julie Weidener, president of the local chapter of the National Honor Society, who presented invitations to trustees to attend the induction ceremony for new members on November 13th at 7 p.m. at the high school's performing arts center.

B. PROPOSED LITIGATION • DISTRIBUTION OF SALES TAX BY MONROE COUNTY

Mr. Havens presented the change in distribution of the sales tax by the County of Monroe for review and consideration by the Board of Education.

He noted that the Monroe County Legislature has approved a recommendation from Monroe County Executive Maggie Brooks to re-distribute sales tax revenue and use those funds to cover Medicaid costs for the county. Our school district would lose appx. \$12,000 based on the small portions of the Towns of Penfield and Webster located within district boundaries.

Several school districts have joined in a lawsuit to challenge this action. Similar legal action was pursued, successfully, by school districts, including ours, in the past to keep sales tax distribution intact.

While the amount of revenue for our district from the Monroe County sales tax is significantly less than the amount of sales tax received from the County of Wayne (\$830,000), there is some concern that success of any change in distribution of the Monroe County sales tax could preclude a change in the distribution of sales tax in Wayne County. Mr. Havens noted that only four (4) counties in New York State - Wayne, Monroe, Onondaga and Erie - continue to shares sales tax revenues with school districts.

Mr. Havens stated that the Wayne County Education Coalition plans a meeting to discuss these issues and possible implications for school districts in Wayne County. He has sample resolutions which Monroe County school districts are adopting for consideration by the Board of Education at the next meeting.

Discussion on the topic is generally summarized as follows:

Mr. Schultz asked for clarification of the new sales tax re-distribution proposal compared to a similar proposal two (2) years ago. Mr. Havens provided details.

Mr. Griswold asked if the previous proposal to re-distribute Monroe County sales tax was defeated and overturned; the response was yes. Mr. Havens stated that this most recent issue is based on a different point of law.

Mr. Robusto asked how school districts with territory within Monroe County are sharing in the cost of the litigation. Mr. Havens noted the cost share is based on the amount territory within each school district in Monroe County.

Mr. Havens noted that while the cost of litigation could exceed the amount of revenue (\$12,000), the question relates to annual revenue from Monroe County sales tax and has potential, moiré costly implications if changes occur in the distribution of sales tax in Wayne County.

Mr. Triou asked for clarification of the method of payment of sales tax revenues; Mr. Havens provided details.

Mr. Griswold stated that the full impact of the reduced revenue from re-distribution of Monroe County sales tax is unknown since the amount of state aid paid to school districts changes each year.

Mr. Triou noted that when the Wayne County Board of Supervisors was considering the reduction in distribution of sales tax to school districts, a multi-year plan was proposed. He asked if the action by Monroe County is a single or multi-year approach. Mr. Havens stated it is a single year approach.

Mr. Nicholson asked if other counties in the state have ended or reduced distribution of sales tax revenues to school districts. Mr. Havens stated yes and reviewed details.

Mr. Havens stated that our school district is fortunate that local town supervisors have continuously supported the distribution of sales tax among school districts in Wayne County.

C. PROGRESS REPORT – SCHOOL IMPROVEMENT PLAN • HIGH SCHOOL

Mr. Havens presented the progress report on the 2007-2008 school improvement plan for the high school for review and consideration by the Board of Education. He introduced Mr. Joseph Siracuse, high school principal, to review the report (copy filed in clerk's agenda file, this meeting)

Joined by Mrs. Armitage and Mr. Derse, assistant principals, Mrs. Stohr and Mrs. Schwartz, counselors, and Mrs. Van Acker, work-experience coordinator, Mr. Siracuse presented a Power Point report with graphs and details on the following target areas for student achievement in 2007-2008:

- 95% passing rate on Regents' Algebra exam
- 95% passing rate on Regents' Comprehensive English exam
- 98% of graduates will earn a Regents' diploma
- 90% of graduates will continue pursuing higher education

Based on evidence that students who pass the Regents' exams in global studies and a science generally have little difficulty graduating with a Regents' diploma, additional goals are in place to:

- Increase the passing rate on the Regents' Global Studies 2 exam to 85%
- Increase passing rate on Regents' Science exams to 90%

They noted the 95% passing rate on the Regents' Math Course A exam and complimented students and teachers for this excellent achievement. They added that the passing rate for both the Regents' Comprehensive English exam and the number of graduates pursuing higher education was 90% and that 81% of graduates in 2007 earned a Regents' diploma.

Note was made that literacy and math (numeracy) skills as essential for success in any endeavor and of the demand for such skills in the workplace. The speakers also noted collaboration with middle school teachers on the model school's program and closer scrutiny of efforts to aid students in their areas of areas of weakness.

Counselors reviewed efforts to closely monitor academic intervention programs, provide earlier opportunities to take Regents' Comprehensive English and social studies exams and host career days to outline job skills and career options to students. Each student will earn at least one (1) college credit while in high school and counselors will provide parents and students with assistance in college application details. The high school will continue to offer the SAT prep course and PSAT exams, discuss college planning as part of eighth grade orientation and promote attendance at area college information nights. A U.S. map in the main foyer continues to feature photos and destinations of college-bound students.

Mr. Havens thanked the staff for their presentation and report.

D. RESOLUTION TO ALLOCATE EXCESS FUND BALANCE • F.Y. ENDING JUNE 30, 2007

Mr. Havens presented the proposed allocation of excess fund balance for review and consideration by the Board of Education.

Mr. Atseff reviewed the proposal for allocation of excess funds for the fiscal year ended June 30, 2007.

Mr. Triou asked what the term (length) is for the current school bus purchase reserve fund. Mr. Atseff stated that a five (5) year term was established by voter approval.

Mr. Triou asked if the newly purchased busses will have the low-sulphur diesel fuel; Mr. Atseff stated yes, at an estimated additional cost of \$7,000 per bus.

Mr. Triou asked for clarification on the state regulations for excess fund balance; Mr. Atseff provided details.

Mr. Triou offered a **MOTION**, seconded by Mr. Griswold, to adopt a **RESOLUTION** for allocation of the excess fund balance of the general fund for the fiscal year ending June 30, 2007, **TO WIT:**

RESOLUTION FOR ALLOCATION OF EXCESS FUND BALANCE OF THE GENERAL FUND

(Fiscal Year Ending June 30, 2007)

BE IT RESOLVED, that the Board of Education does hereby allocate the available \$3,055,660 fund balance of the general fund, in excess of the three percent (3%) state maximum, as follows:

- (1) Transfer \$ 700,000 to the School Bus Purchase Reserve Fund
- (2) Transfer \$2,355,660 to the Capital Reserve Fund

BE IT FURTHER RESOLVED, that the school district treasurer is authorized and directed to make such transfers, effective June 30, 2007.

On the question, the resolution was adopted by a vote of 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse).

E. FINANCIAL AND BUDGET UPDATE

Mr. Havens introduced Mr. Atseff to present monthly financial reports for review and consideration by the Board of Education.

Mr. Atseff presented reports through September 28, 2007, as follows: (copies filed in clerk's agenda file, this meeting)

- (1) *Revenue Status Report– General Fund*: Tax collection is underway; revenues on target.
- (2) *Expense Status Report – General Fund*: Appropriations are within range.

Mr. Griswold suggested returning to printed copies of these reports in future meetings; by **consensus**, this was approved.

F. STUDENT REPRESENTATIVE

Jessica Orchard, senior class treasurer, reviewed current and future student achievements and events at the high school, including a successful Homecoming Weekend.

G. STUDENT QUESTIONS

(1) Nicole Lukash, 5833 Lincoln Road, Ontario, asked about reinstatement of the senior (study) lounge; Mr. Havens suggested that seniors present a detailed proposal to the high school principal.

XII. ITEMS FOR BOARD OF EDUCATION ACTION

A. PERSONNEL CHANGES

Mr. Havens presented the following personnel changes for review and consideration by the Board of Education:

INSTRUCTIONAL STAFF

RESIGNATION:

Penny Barry, school psychologist, assigned to the high school, effective September 1, 2007 (personal reasons)

APPOINTMENTS:

Megan Mahaney, reading teacher, NYS Control No. 627933051 (Initial, valid through 9/1/2010) assigned to Freewill Elementary School, a one (1) year temporary appointment effective September 1, 2007 through June 30, 2008 at \$38,625 (replacement for Cathy Crable who was re-assigned as teacher on special assignment as literacy coach).

Donna Rizzo, ESOL Teacher, NYS Control No. 657636061 (Permanent, effective 9/1/05), assigned as needed throughout district, a probationary appointment effective September 1, 2007 through August 31, 2009 at \$53,223 (**amended** from part time to probationary; position shared with Gananda CSD)

Per Diem Substitute Teachers • 2007-2008 School Year

See Listing, Clerk's Agenda File, This Meeting

Additional Extra-Duty & Co-Curricular Appointments/Designations • 2007-2008 School Year

See Listing, Clerk's Agenda File, This Meeting

Additional Fall Coaching & Athletic Event Appointments • 2007-2008 School Year

See Listing, Clerk's Agenda File, This Meeting

LEAVE OF ABSENCE:

Stephanie Potter, special education teacher, assigned to the high school, a combination paid and unpaid FMLA leave of absence anticipated to begin June 1, 2007 through June 30, 2008. (**amended** to extend unpaid FMLA leave)

SUPPORTIVE STAFF:

APPOINTMENTS:

Frank Carlesimo, bus driver, a 30-day temporary civil service appointment effective September 24 through October 23, 2007 at \$13.14 per hour (replacement for Delbert Rohring while on leave of absence).

Kim Hynes, teacher aide (0.50 FTE), 1:1, assigned to the high school (Project Show). a temporary civil service appointment effective September 20 through November 2, 2007 at \$8.67 per hour. (replacement for Karin Pickard while on leave of absence).

Kim Hynes, teacher aide (0.40 FTE), 1:1, assigned to the high school, a temporary civil service appointment effective September 5, 2007 through June 30, 2008 at \$8.67 per hour (job share with Kristen Bauerschmidt)

Laurie Pick, teacher aide (0.50 FTE), 1:1, assigned to the high school (Project Show), a temporary civil service appointment effective September 6, 2007 through June 30, 2008, at \$10.75 per hour (new student)

Franklin Svatek, bus driver, a six (6) month probationary civil service appointment effective September 5, 2007 through March 4, 2008 at \$13.14 per hour (replacement for Randall Emison, resigned).

Stacy Wright, bus driver, a six (6) month probationary civil service appointment effective September 5, 2007 through March 4, 2008 at \$13.14 per hour (replacement for Gayle Flatt, retired).

Kristen Bauerschmidt, teacher aide (0.60 FTE), 1:1, assigned to the high school, a temporary civil service appointment effective September 1, 2007 through June 30, 2008 at \$10.00 per hour. (**amended** to reflect part time status; job share)

Substitute Support Staff Appointments • 2007-08

(Bus Drivers, Clerical, Teacher Aides, Registered Professional Nurse)

See Listing, Clerk's Agenda File, This Meeting

LEAVES OF ABSENCE:

Karin Pickard, teacher aide (0.50 FTE), 1:1, assigned to the high school (Project Show), a paid FMLA leave of absence effective September 20, 2007 through November 2, 2007.

Delbert Rohring, bus driver, a thirty (30) day unpaid leave of absence effective September 24 through October 23, 2007 (personal reasons)

Karen Turano, cook manager, assigned to the high school, a paid FMLA leave of absence effective September 10, 2007 (duration to be determined)

Mrs. Newman offered a **MOTION**, seconded by Mr. Nicholson, to approve the personnel changes as recommended by the superintendent of schools. 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse). Carried.

B. PUPIL PLACEMENT RECOMMENDATIONS • C.S.E., C.P.S.E & SECTION 504

Mr. Havens presented the pupil placement recommendations of the Committees on Special Education, Pre-School Special Education & §504 Placements for review and consideration by the Board of Education.

Mr. Nicholson offered a **MOTION**, seconded by Mr. Triou, to adopt the following **RESOLUTIONS** for pupil placements by the CSE/CPSE, 504 Committees, **TO WIT:**

(1) to approve the recommendation for pupil placements by the Committee on Special Education:

**RESOLUTION TO APPROVE RECOMMENDATIONS OF THE
COMMITTEE ON SPECIAL EDUCATION AND
AUTHORIZE ARRANGEMENT OF RECOMMENDED
SPECIAL PROGRAMS & SERVICES**

RESOLVED, that the Board of Education approves the recommendations of the Committee on Special Education and authorizes the Director of Student Services to arrange the recommended special programs and services.

(2) to approve the recommendation for pupil placements by the Committee on Pre-School Special Education:

**RESOLUTION TO APPROVE RECOMMENDATIONS OF THE
COMMITTEE ON PRE-SCHOOL SPECIAL EDUCATION AND
AUTHORIZE ARRANGEMENT OF RECOMMENDED
SPECIAL PROGRAMS & SERVICES**

RESOLVED, that the Board of Education approves the recommendations of the Committee on Pre-School Special Education and authorizes the Director of Student Services to arrange the recommended special programs and services.

(3) to approve the recommendation for pupil placements by the §504 Committee:

**RESOLUTION TO APPROVE RECOMMENDATIONS
OF THE § 504 COMMITTEE AND
AUTHORIZE ARRANGEMENT OF RECOMMENDED
SPECIAL PROGRAMS & SERVICES**

RESOLVED, that the Board of Education approves the recommendations of the §504 Committee and authorizes the Director of Student Services to arrange the recommended special programs and services.

Mr. Griswold asked what percentage of student enrollment receives special education services; Mrs. Schiek stated 11% of students presently receive services and the goal is to reduce that to 8%.

On the question, the **RESOLUTIONS** were adopted by a vote of 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse).

C. ADOPT RESOLUTION • OBSERVANCE OF RED RIBBON WEEK • OCTOBER 23 – 30, 2007

Mr. Havens presented the resolution for observance of Red Ribbon Week for 2007 for review and consideration by the Board of Education.

Mrs. Newman offered a **MOTION**, seconded by Mr. Triou, to adopt a **RESOLUTION** for observance of Red Ribbon Week for 2007, **TO WIT:**

**RESOLUTION TO PROCLAIM OCTOBER 23 – 30, 2007 AS
“RED RIBBON WEEK”
AND ENCOURAGE CITIZENS TO PARTICIPATE IN
DRUG AND ALCOHOL PREVENTION EDUCATION ACTIVITIES**

WHEREAS, alcohol and other drug abuse in this nation has reached epidemic stages; *and*

WHEREAS, the three leading causes of death for teenagers are homicide, suicide and accidental fatalities, and alcohol and drugs are primary causative factors in each category of death; *and*

WHEREAS, every day over 1,600 Americans die from alcohol, tobacco and street drugs and thousands more find themselves admitted to jails and prisons, hospitals, and psychiatric institutions; *and*

WHEREAS, the economic cost to businesses and taxpayers from alcohol and drug abuse exceeds \$112 million in Wayne County each year, and \$5.6 million could be saved by reducing drug abuse by just 5%; *and*

WHEREAS, a survey by the National Center on Addiction and Substance Abuse finds that 28% of middle-school students say that drugs are available in their schools, up 47% since 2002; and 62% of high-school students surveyed say that drugs are used, kept, or sold in their schools, up 47%; *and*

WHEREAS, it is imperative that visible, unified preventative education efforts by community members be launched to reduce the demands for drugs & alcohol; *and*

WHEREAS, the greater community and its representatives, both public and private, groups and individuals, will demonstrate their commitment to drug-free, healthy lifestyles by wearing and displaying red ribbons during a week-long campaign;

NOW, THEREFORE BE IT RESOLVED that the Board of Education of Wayne Central School District hereby proclaims October 23 – 30, 2007 as “Red Ribbon Week” and encourages citizens to participate in drug and alcohol prevention education activities, making a visible statement that we are strongly committed o a drug-free community

On the question, the **RESOLUTION** was adopted by a vote of 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse).

D. CONSENSUS AGENDA

- (1) Reports of the School District Treasurer (A/O 6/30/07 & 8/31/07)
- (2) Approve Internship – Kristen Miller • High School • 2007-2008
- (3) Approve Budget Transfers

Mr. Havens presented the consensus agenda for review and consideration by the Board of Education.

Mr. Triou offered a **MOTION**, seconded by Mr. Nicholson, to approve the consensus agenda, as presented by the superintendent of schools, as follows:

- (1) Receive & file **reports of the school district treasurer** for the period ending June 30, 2007 and the period ending August 31, 2007 (copies attached to these minutes in the minute book)
- (2) Approve the **administrative internship** for Mrs. Kristen Miller as outlined by the high school principal (copy filed in clerk's agenda file, this meeting)
- (3) Approve **budget transfers** pursuant to Policy #5330 (copies attached to these minutes in the minute book)

Mr. Schultz asked about the gap in the sequence of reports from the school district treasurer; Mr. Atseff noted it was due to an agenda preparation error.

Mr. Havens noted that although Mr. Johnson is unable to attend this evening's meeting, he stated his enthusiastic support at the prior meeting for the proposed internship for Mrs. Miller.

On the question, the consensus agenda was approved by a vote of 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse).

XIII. COMMITTEE REPORTS - None

XIV. ADDITIONAL PUBLIC COMMENT

A Mrs. Susan Brown, 7518 Knickerbocker Road, Ontario, posed questions as follows:

- (1) projecting electronic meeting agenda items for public reference during school board meetings
- (2) contingent plans to deal with potential loss of sales tax revenue from the County of Monroe
- (3) plans to mobilize the public to become advocates for preservation of sales tax revenue
- (4) if any parents of students with disabilities have refused a local diploma instead of a Regents' diploma
- (5) if benchmarks are established for a work ethic for students in career planning

XV. ADDITIONAL BOARD MEMBER COMMENTS

- A. Mrs. Newman extended **compliments to the high school staff** on their report this evening and noted the great examples of efforts to pursue new approaches to address student achievement.
- B. Mr. Griswold suggested that trustees consider attending the **annual convention of the National School Boards Association** (March 29-April 1, 2008) and finalize reservations as soon as possible.
- C. Mr. Robusto stated that he has previewed the **program schedule** for the event and noted many pertinent topics and workshops. He added that the cost for travel and attendance at the state and national association meetings in 2008 is similar given the state meeting's location in New York City and the national meeting in Orlando.
- D. Mr. Triou shared information on **Fire Prevention Week** activities emphasizing practice of home fire drills with Walworth Volunteer Fire Company **co-sponsored**

by Constellation Energy Constellation Nuclear Power Station. He served on the planning committee for this joint effort.

- E. Mr. Triou relayed a recent experience when he stopped to deliver materials for his daughter at the middle school and witnessed, firsthand, the increased **safety and security measures**; he was pleased to view these efforts by the school district
- F. Mr. Robusto reminded trustees to complete and return the questionnaire distributed at the last meeting re: **school board protocol**
- G. Mr. Robusto reported on attendance at a recent meeting of the Four County School Boards Association where he learned that our school board is the sole one which has adopted the **electronic, paperless meeting agenda**. He cited cost saved for copying the 73-page agenda for this evening's meeting for nearly twenty (20) persons.
- H. Mr. Schultz and Mr. Triou noted the cost savings of appx. \$50 in postage per meeting as an **additional benefit of the paperless agenda** approach.
- I. Mr. Griswold asked when the planned **evaluation of the paperless approach** would occur; Mr. Robusto stated at the three (3) month interval in November.

XVI. ADJOURNMENT

Mr. Triou offered a **MOTION**, seconded by Mr. Griswold, to adjourn the meeting at 9:04 p.m. 6 Ayes, 0 Nays, 3 Absent (Mr. Johnson, Mrs. Lyke, Mr. Wyse), Carried.

Respectfully submitted,

JAMES E. SWITZER
School District Clerk

APPROVAL OF MINUTES ES

The foregoing minutes of the Board of Education were submitted for review & (approved as presented)(corrected as noted) at the meeting of

November 1, 2007

School District Clerk

MIDDLE SCHOOL

6TH GRADE

SCIENCE

TEXTBOOK

POWERPOINT

PRESENTATION

A Proposal for



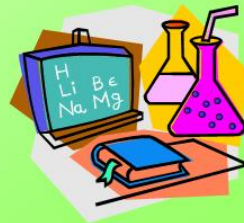
MacMillan/McGraw-Hill 2008

Selected Areas of Review

- Designed to meet New York State MST Standards and National Standards
- Readability 6.6 to 8.0 Grade level
- Superior visuals to engage students and provide a concrete image to aid in retention of concepts



- Updated resource to supplement the established curriculum
- Offers more opportunity for Inquiry Based Learning
- Concise captions capturing the essential ideas



- Visual literacy resources focusing on interpreting diagrams and charts
- A Variety of Assessment Options including: entry level, formative and summative assessments



Coherence with District Initiatives

- Differentiated Instructional Resource plans for extra support, on level, and enrichment in each lesson
- Literacy skills activities focusing on reading in the content areas



- UBD – An Essential Question begins each chapter
- Opportunities for Critical Thinking at the end of each Lesson Review

Price Quote

Unit Price Per Student Textbook

\$52.95

250 Student Textbooks, Teachers Editions
and Additional Resources

\$13,597.02 Total

The 6th grade science curriculum provides a firm foundation for the success of the middle school science program.

As a result of our classes, students are continuing to learn the necessary skills for advanced science courses and the International Baccalaureate program

WAYNE CENTRAL SCHOOL DISTRICT

To: Board of Education
 From: Michael Havens, Superintendent of Schools
 (Prepared by Mark D. Callahan, Director of Human Resources)
 Re: Personnel Action
 Date: November 1, 2007

The following is submitted for your review and approval.

INSTRUCTIONAL STAFF

RESIGNATIONS:

Patrice Ott, Art Teacher, assigned to the Ontario Primary School, effective September 2007, exact date to be determined. *For personal reasons.*

APPOINTMENT:

Amy McGinn, Special Education Teacher, NYS Control No. 608517051 (Initial valid through 9/1/2010) assigned to the Thomas C. Armstrong Middle School, a three year probationary appointment effective September 1, 2007 through August 31, 2010 at \$37,850 (base + MS) credited with no service. *Replacement for Liz Waring (re-assigned to high school).*

SUPPORT STAFF

RESIGNATIONS:

Joyce Hargarther, Cleaner, assigned to the Thomas C. Armstrong Middle School, effective November 16, 2007. *For the purpose of retirement.*

Delbert Rohring, Bus Driver, assigned to the Transportation Department, effective October 24, 2007. *For the purpose of retirement.*

LEAVE OF ABSENCE: None

APPOINTMENTS:

Mary Pat McAdam, 1:1 Teacher Aide, assigned to the Thomas C. Armstrong Middle School, a one year temporary Civil Service appointment effective September 1, 2007 through June 30, 2008 at \$14.10 per hour. *To support new student.*

2007-08 ANNUAL STIPEND APPOINTMENTS (AMENDED):

❖ Club Advisors -

<u>Name</u>	<u>Activity</u>	<u>Bldg.</u>	<u>Rate</u>
Jennifer Agnitti	National Junior Honor Society	MS	\$626.00

Committee Recommendations for Board of Education Review (November 1, 2007)

Meeting	Alt. ID#	Age	Committee	Grade	Reason	Decision	Disability	Rec. School
9/25/2007	8357	16:8	Section 504	11	Initial Eligibility Determination Mtg.	Section 504	Limited Major Life Activity	Webster Christian School
9/25/2007	101771	6:11	Section 504	01	Reevaluation Transfer Student	Section 504	Limited Major Life Activity	Ontario Primary
9/25/2007	97767	9:2	Section 504	04	Initial Eligibility Determination Mtg	Section 504	Limited Major Life Activity	Freewill Elementary
9/25/2007	98869	5:4	Section 504	Kdg.	Initial Eligibility Determination Mtg	Section 504	Limited Major Life Activity	Ontario Primary

Committee Recommendations for Board of Education Review (November 1, 2007)

Meeting	Alt. ID#	Age	Committee	Grade	Reason	Decision	Disability	Rec. School	Rec. Program
9/19/2007	101773	3:8	CPSE	Preschool	Initial Eligibility Determination Mtg.	Classified Preschool	Preschool Student with a Disability	Roosevelt Children's Center	Speech/Language Therapy
9/19/2007	101742	2:11	CPSE	Preschool	Initial Eligibility Determination Mtg.	Classified Preschool	Preschool Student with a Disability	Home/Day Care/Pre-K Setting	Speech/Language Therapy



**Wayne Central School District
Office of the Superintendent of Schools**

Memorandum

TO: Board of Education
FROM: Michael Havens
RE: Consensus Agenda
DATE: November 1, 2007

The following items are being recommended for approval in a consensus agenda:

- Item [#1](#) Accept Treasurer's Report for September 2007
- Item [#2](#) Adopt Middle School Science Textbook
- Item [#3](#) Adopt DKR Tax Certiori Resolution
- Item [#4](#) Adopt Resolution on Monroe County Sales Tax
- Item [#5](#) Adopt 2007-08 Policy Committee Charge

TREASURER'S MONTHLY REPORT
ENDING BALANCES OF ALL WCS D FUNDS AS OF SEPT. 30, 2007

GENERAL FUND

Checking Account	1,247,589.05
Money Market	7,080,746.34
TOTAL AVAILABLE CASH	8,328,335.39

SCHOOL LUNCH FUND

Checking Account	234,068.12
Money Market Account	334,573.80
TOTAL AVAILABLE CASH	568,641.92

CAPITAL RESERVE FUND

Checking Account	545.55
Money Market Account	2,330,271.95
TOTAL AVAILABLE CASH	2,330,817.50

CAPITAL PROJECTS

Checking Account	157,130.62
Money Market Account	1,638,386.62
TOTAL AVAILABLE CASH	1,795,517.24

BUS RESERVE

Checking Account	876.76
Money Market Account	831,899.78
TOTAL AVAILABLE CASH	832,776.54

TRUST AND AGENCY ACCOUNT

Checking Account (Now)	156,277.49
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<u>FLEX ACCOUNT</u>	51,266.65
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UNEMPLOYMENT INSURANCE ACCOUNT

Money Market	446,789.90
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LIABILITY INSURANCE ACCOUNT

Money Market	870,882.54
--------------	------------

DEDUCTIBLE INSURANCE ACCOUNT

Money Market	577,136.60
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RETIREMENT BENEFITS RESERVE

Money Market	242,424.48
--------------	------------

EMPLOYEES RETIREMENT RESERVE

Money Market	430,976.86
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SPECIAL AID ACCOUNT

Checking Account	76,898.53
------------------	-----------

Date

 Leora L. Stramonine, Treasurer

Received by the Board of Education
and entered as a part of the
minutes of the Board meeting held

 20

 Clerk of Board of Education

GENERAL FUND
TREASURER'S MONTHLY REPORT
September 1 - 30, 2007

Prior period available balance \$32,877.70

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
09/ 05/ 07	WCST&A, Med/ Dent	7,709.32
09/ 05/ 07	Gananda, Tuition Reimbursement	33,283.87
09/ 07/ 07	WFL Area-Work Comp Reimbursement	960.00
09/ 12/ 07	WCSPayroll Account	1,166.92
09/ 12/ 07	North-Rose Wolcott-Tuition Reimbursement	14,834.35
09/ 18/ 07	Coca-Cola commission	219.53
09/ 25/ 07	Wayne Finger Lakes Boces	322,253.50
09/ 27/ 07	Utica National Insurance	1,068.49
09/ 01-09/ 30/ 07	Recycling	127.12
09/ 01-09/ 30/ 07	Retirees, med/ dental reimbursement	46,177.52
09/ 01-09/ 30/ 07	Admissions	3,808.00
09/ 01-09/ 30/ 07	In-Lieu of Taxes	1,494.58
09/ 01-09/ 30/ 07	Taxes	5,667,931.44
09/ 01-09/ 30/ 07	Transfer from MM	750,000.00
09/ 01-09/ 30/ 07	Miscellaneous	708.85
Total Receipts		<u>6,851,743.49</u>

Total receipts, including balance \$6,884,621.19

DISBURSEMENTS MADE DURING MONTH

By check			
From Check No.	18216 To Check No.	18527	813,878.56
	Payrolls		1,917,745.84
	NSF checks		5,407.74
	TRANSFERS TO MM		<u>2,900,000.00</u>
Total disbursements			<u>5,637,032.14</u>
Cash Balance			<u><u>\$1,247,589.05</u></u>

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	1,745,188.35
Less total of outstanding checks	497,599.30
Net balance in bank	1,247,589.05

Amount of receipts undeposited (add)

Total available balance 1,247,589.05

Received by the Board of Education
and entered as a part of the
minutes of the Board meeting held

This is to certify that the above
Cash balance is in agreement with
my bank statement as reconciled

'20

Clerk of Board of Education

Treasurer of School District Date

SCHOOL LUNCH FUND
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance \$215,654.99

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
09/ 01-14/ 07	Freewill Lunch/ Break	4,576.30
09/ 01-14/ 07	OP Lunch/ Break	3,689.95
09/ 01-14/ 07	OE Lunch/ Break	4,992.69
09/ 01-14/ 07	MS Lunch/ Break	10,209.82
09/ 01-14/ 07	HS Lunch/ Break	16,793.71
09/ 01-14/ 07	HS Vending	1,243.95
09/ 17-30/ 07	Freewill Lunch/ Break	2,804.49
09/ 17-30/ 07	OP Lunch/ Break	1,904.56
09/ 17-30/ 07	OE Lunch/ Break	2,840.48
09/ 17-30/ 07	MS Lunch/ Break	7,884.68
09/ 17-30/ 07	HS Lunch/ Break	13,760.27
09/ 17-30/ 07	HS Vending	488.65
09/ 01-30/ 07	ACH Deposits	9,384.42
09/ 01-30/ 07	Other Sales	3,633.67

Total Receipts \$84,207.64

Total receipts, including balance \$299,862.63

DISBURSEMENTS MADE DURING MONTH

By check				
From Check No.	1695	To Check No.	1709	15,963.47
		Payroll		49,190.39
By Debit Charge	NSF CHECKS			237.00
	Bank Credits			403.65
	Total disbursements			<u>65,794.51</u>
	Cash Balance			<u>\$234,068.12</u>

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	285,847.16
Less total of outstanding checks	<u>57,487.61</u>
Net balance in bank	228,359.55
Amount of receipts undeposited (add)	<u>5,708.57</u>
Total available balance	<u><u>234,068.12</u></u>

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

CAPITAL RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance \$545.55

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
Total Receipts		\$0.00

Total receipts, including balance \$545.55

DISBURSEMENTS MADE DURING MONTH

By check		
From Check No.	To Check No.	-
By Debit Charge Purchase cd		
Total disbursements		\$0.00
Cash Balance		\$545.55

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	545.55
Less total of outstanding checks	-
Net balance in bank	545.55
Amount of receipts undeposited (add)	-
Total available balance	\$545.55

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

CAPITAL PROJECTS
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance \$157,130.62

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
	Total Receipts	-
	Total receipts, including balance	\$157,130.62

DISBURSEMENTS MADE DURING MONTH

By check		
From Check No.	346 To Check No.	
By Debit Charge		
	Total disbursements	\$0.00
	Cash Balance	\$157,130.62

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	157,130.62	
Less total of outstanding checks		
Net balance in bank	157,130.62	
Amount of receipts undeposited (add)		-
Total available balance		\$157,130.62

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

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 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

BUS RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance 876.76

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
Total Receipts		<u>\$0.00</u>

Total receipts, including balance \$876.76

DISBURSEMENTS MADE DURING MONTH

By check		
From Check No.	To Check No.	
By Debit Charge	Purchase CD	
Total disbursements		<u>\$0.00</u>
Cash Balance		<u>\$876.76</u>

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	876.76
Less total of outstanding checks	<u> </u>
Net balance in bank	876.76
Amount of receipts undeposited (add)	<u> -</u>
Total available balance	<u>\$876.76</u>

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

TRUST AND AGENCY
TREASURER'S MONTHLY REPORT
September 1 - 30, 2007

Prior period available balance \$166,223.55

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
09/ 06/ 07	Cafeteria - PR	2,637.48
09/ 07/ 07	HS Extraclassroom - sales tax	253.90
09/ 12/ 07	General Fund - PR	956,162.71
09/ 14/ 07	Cafeteria - PR	8,243.84
09/ 18/ 07	MS Extraclassroom - sales tax	437.15
09/ 19/ 07	Target, MS, OP, HS	483.59
09/ 24/ 07	Target gift money Freewill	202.93
09/ 26/ 07	ERS Refund	40.50
09/ 26/ 07	CSEA Dues	18.00
09/ 26/ 07	TRS Refund, Hanley	100.00
09/ 26/ 07	TSA Refund	600.00
09/ 26/ 07	Retirees- Medical/ Dental	20,435.92
09/ 27/ 07	General Fund - PR	961,583.13
09/ 27/ 07	Cafeteria - PR	19,898.65
09/ 27/ 07	HS Guidance - AP exam money	19,972.00
09/ 01-30/ 07	Interest	49.66

Total Receipts 1,991,119.46

Total receipts, including balance \$2,157,343.01

DISBURSEMENTS MADE DURING MONTH

By check			
From Check No.	2394	To Check No.	2433
		NSF CHECKS	147,089.11
By Debit Charge	Transfers for payroll		<u>1,853,976.41</u>
	Total disbursements		<u>2,001,065.52</u>
	Cash Balance		<u>\$156,277.49</u>

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	260,907.25
Less total of outstanding checks	<u>104,629.76</u>
Net balance in bank	156,277.49
Amount of receipts undeposited (add)	<u>-</u>
Total available balance	<u>\$156,277.49</u>

Received by the Board of Education
and entered as a part of the
minutes of the Board meeting held

This is to certify that the above
Cash balance is in agreement with
my bank statement as reconciled

20

Clerk of Board of Education

Treasurer of School District Date

FLEX ACCOUNT
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance \$7,237.68

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
09/ 07/ 07	Transfer of flex funds	61,147.81
09/ 30/ 07	Flex credits	28.30
Total Receipts		61,176.11

Total receipts, including balance \$68,413.79

DISBURSEMENTS MADE DURING MONTH

By check		
From Check No.	To Check No.	
By Debit Charge	BENEFIT RESOURCE DEBIT	17,147.14
Total disbursements		\$17,147.14
Cash Balance		\$51,266.65

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	51,266.65
Less total of outstanding checks	-
Net balance in bank	51,266.65
Amount of receipts undeposited (add)	-
Total available balance	\$51,266.65

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

UNEMPLOYMENT INSURANCE RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance \$0.00

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
	Total Receipts	<hr/>
	Total receipts, including balance	
DISBURSEMENTS MADE DURING MONTH		
By check		
From Check No.	To Check No.	
By Debit Charge		<hr/>
	Total disbursements	<hr/>
	Cash Balance	<hr/> <hr/> <u>-</u>

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	
Less total of outstanding checks	<hr/>
Net balance in bank	
Amount of receipts undeposited (add)	<hr/>
Total available balance	<hr/> <hr/>

MONEY MARKET 446,789.90

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

Clerk of Board of Education

Treasurer of School District Date

LIABILITY INSURANCE RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
	Total Receipts	_____

Total receipts, including balance

DISBURSEMENTS MADE DURING MONTH

By check		
From Check No.	To Check No.	
By Debit Charge		_____
	Total disbursements	_____
	Cash Balance	=====

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	
Less total of outstanding checks	_____
Net balance in bank	
Amount of receipts undeposited (add)	_____
Total available balance	=====

MONEY MARKET 870,882.54

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

_____ 20

 Clerk of Board of Education

 Treasurer of School District Date

DEDUCTIBLE INSURANCE RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
	Total Receipts	_____
	Total receipts, including balance	
DISBURSEMENTS MADE DURING MONTH		
By check		
From Check No.	To Check No.	
	By Debit Charge	_____
	Total disbursements	_____
	Cash Balance	=====

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	
Less total of outstanding checks	_____
Net balance in bank	
Amount of receipts undeposited (add)	_____
Total available balance	=====
MONEY MARKET	577,136.60

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

_____ 20

 Clerk of Board of Education

 Treasurer of School District Date

RETIREMENT BENEFITS RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
	Total Receipts	_____
	Total receipts, including balance	
DISBURSEMENTS MADE DURING MONTH		
By check		
From Check No.	To Check No.	
By Debit Charge		_____
	Total disbursements	_____
	Cash Balance	=====

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	
Less total of outstanding checks	_____
Net balance in bank	
Amount of receipts undeposited (add)	_____
Total available balance	=====

MONEY MARKET

242,424.48

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

EMPLOYEES RETIREMENT RESERVE
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
	Total Receipts	_____

Total receipts, including balance

DISBURSEMENTS MADE DURING MONTH

By check

From Check No.

To Check No.

By Debit Charge

Total disbursements

Cash Balance

=====

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement

Less total of outstanding checks

Net balance in bank

Amount of receipts undeposited (add)

Total available balance

=====

MONEY MARKET

430,976.86

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

Clerk of Board of Education

Treasurer of School District Date

SPECIAL AID
 TREASURER'S MONTHLY REPORT
 September 1 - 30, 2007

Prior period available balance \$92,680.88

RECEIPTS DURING MONTH

DATE	SOURCE	AMOUNT
Total Receipts		<u>\$0.00</u>
Total receipts, including balance		\$92,680.88
DISBURSEMENTS MADE DURING MONTH		
By check		
From Check No.	1219 To Check 1236	15,782.35
By Debit Charge	Trans to GF	
Total disbursements		<u>\$15,782.35</u>
Cash Balance		<u>\$76,898.53</u>

RECONCILIATION WITH BANK STATEMENT

Balance as given on bank statement	84,356.38
Less total of outstanding checks	<u>7,457.85</u>
Net balance in bank	76,898.53
Amount of receipts undeposited (add)	<u> </u>
Total available balance	<u>\$76,898.53</u>

Received by the Board of Education
 and entered as a part of the
 minutes of the Board meeting held

This is to certify that the above
 Cash balance is in agreement with
 my bank statement as reconciled

20

 Clerk of Board of Education

 Treasurer of School District Date

Wayne Central School District Office of Instruction Memo



To: The Wayne Central Board of Education, Michael Havens
From: Bob Armocida and Kim Cox
Re: 6th Grade Science Textbook Adoption
Date: Oct. 26, 2007

The new textbook selection entitled, Science-A Closer Look, of MacMillian /McGraw Hill has been reviewed by the middle school science teaching staff and the middle school administration. This book will provide an additional resource to both students and teachers engaged in the teaching and learning of 6th grade science.

The middle school science teaching staff have presented this textbook to the Administrative Council for review and approval. Based on their approval, it has been recommended for presentation and approval at the November 1, 2007 Board of Education meeting.

We recommend the adoption of this textbook for our grade 6 science program.

Sincerely,

Bob Armocida
Kim Cox



Wayne Central School District

Office of the Superintendent of Schools

P.O. Box 155
6200 Ontario Center Road
Ontario Center, NY 14520
315-524-1001

RESOLUTION TO PARTICIPATE IN MONROE COUNTY SALES LITIGATION

WHEREAS, the Wayne Central School District has been named and served as a party Defendant in a lawsuit brought by Monroe County regarding sharing of sales tax revenues; and

WHEREAS, a total of 24 school districts have been named defendants in the lawsuit; and

WHEREAS, it appears that the interests of the defendant school districts in the County's lawsuit are similar and that sharing a joint defense with other school districts would provide a united response and achieve efficiency and economy in reducing litigation costs; and

WHEREAS, the Board has received and considered a proposal from the firm of Ferrara, Fiorenza, Larrison, Barrett and Reitz, P.C. to provide a joint defense; now therefore

BE IT RESOLVED, by the Board of Education of the Wayne Central School District as follows:

1. The firm of Ferrara, Fiorenza, Larrison, Barrett & Reitz, P.C. is hereby appointed as special counsel to represent the District in the Monroe County vs. City of Rochester, et al lawsuit, upon the terms set forth in the proposal dated May 23, 2006.
2. The Officers and employees of the District are authorized and directed to take all actions and execute all documents necessary or appropriate to carry out the intent of this resolution.
3. This resolution shall take effect immediately.



Wayne Central School District

Office of the Superintendent of Schools

P.O. Box 155
6200 Ontario Center Road
Ontario Center, NY 14520
315-524-1001

RESOLUTION TO PARTICIPATE WITH TOWN OF ONTARIO AND COUNTY OF WAYNE IN DKR INVESTMENT TAX CERTIORI

WHEREAS, the Wayne Central School District has developed and approved a policy in which it may provide financial assistance for litigation challenges to real property assessments in excess of \$300,000, and

WHEREAS, the owners of Ames Plaza, also known as DKR Investors, have filed a tax certiorari petition to have their taxable assessed valuation reduced from 1,800,000 to 180,000, and

WHEREAS, the Town of Ontario and the County of Wayne are seeking the support of the Wayne Central School District to share equally in the legal costs and related items in litigating this matter, and

WHEREAS, the Town of Ontario seeks Wayne Central approval of the appointment of Mr. Alan Knauf as lead legal counsel on this matter,

NOW THEREFORE,

BE IT RESOLVED, by the Board of Education of the Wayne Central School District that it agrees to participate with the Town of Ontario and the County of Wayne in sharing the legal and related expenses pertaining to the DKR Investment (Ames Plaza) tax certiorari challenge on a one third equal sharing basis.

PROPOSED POLICY COMMITTEE CHARGE • 2007-2008

- (1) Conduct annual committee review of 50% of policy handbook
- (2) Conduct annual review of policies, regulations & exhibits that require same
- (3) Review and develop new and emerging policies and regulations as they arise and present for review and consideration by the Board of Education
- (4) Research and develop policy issues as referred by the Board of Education

Adopted by the Board of Education On



Wayne Central School District

Office of the Superintendent of Schools

P.O. Box 155
6200 Ontario Center Road
Ontario Center, NY 14520
315-524-1001

TO: Michael Havens
Superintendent of Schools
FROM: Jeffrey T. Schultz
Audit Committee Chairman
DATE: October 25, 2007
RE: Independent Auditor's Report and Management Letter

Attached is a copy of the General Purpose Financial Statements and the Management Letter for the school fiscal year ended June 30, 2007, as prepared by Raymond F. Wager, CPA, P.C., Corona Executive Commons, 332 Jefferson Road, Rochester, NY 14623. As per section 170.12 of the Regulations of the Commissioner of Education, the district audit committee has reviewed the audit report and management letter with the external auditor.

A copy of the General Purpose Financial Statements and the Management Letter have been forwarded to the New York State Education Department, Office of Audit Services, 524 Education Building, Albany, NY 12234. The General Purpose Financial Statements must be filed by November 30 of the current fiscal year.

The audit committee recommends that the Board of Education adopt a resolution at the December 6, 2007, board meeting accepting the Independent Auditor's Report and the Management Letter for the fiscal year 2006-2007.

It will be necessary for the district clerk to file with the State Education Department a certified excerpt of the minutes of the Board of Education meeting noting the acceptance of the 2006-2007 General Purpose Financial Statements. In addition, the district clerk must publish a notice within ten days that such report is available for public inspection.

/db

Attachments

WAYNE CENTRAL SCHOOL DISTRICT

NEW YORK

MANAGEMENT LETTER

For Year Ended June 30, 2007

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

332 Jefferson Road • Rochester, New York 14623
Tel: (585) 272-8040 • Fax: (585) 272-0423
E-Mail: theoffice@raymondwagercpa.com

Shareholders:

Raymond F. Wager, CPA

Thomas J. Lauffer, CPA

Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

October 10, 2007

To the Board of Education
Wayne Central School District, New York

In planning and performing our audit of the financial statements of the Wayne Central School District, New York as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Wayne Central School District, New York's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be control deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

Prior Year Control Deficiencies Pending Corrective Action:

Internal Accounting Controls –

During the course of our examination, we noted the following:

1. The Treasurer receives cash, prepares deposit slips, posts entries to the general ledger, and makes deposits to the bank. The Treasurer also prepares the bank reconciliations, with the exception of the payroll account.
2. The Payroll Clerk reconciles the payroll bank account.

We recommend the District review these items and develop the necessary corrective action during this next fiscal year.

**To the Board of Education
Wayne Central School District, New York**

(Prior Year Control Deficiencies Pending Corrective Action) (Continued)

Medicaid –

During the course of our examination, we noted that Medicaid has not been billed since June 30, 2006.

We recommend this situation be reviewed and the necessary corrective action be implemented during the 2007-08 fiscal year.

Payroll –

Our examination revealed six instances in which the I-9 was not available for review and two instances where the Form W-4 could not be located.

We recommend the District review these items and implement the necessary corrective action during this next fiscal year.

Fixed Assets –

During our testing of fixed assets, we noted thirteen items which could not be examined. In addition, there were three items examined that were unable to be traced to the inventory listing.

In order to safeguard the District's assets we recommend all assets be tagged and the business office should be notified for all equipment relocations and deletions.

Current Year Control Deficiencies:

Receipts –

During the course of our examination, we noted deposits are being made for admissions without supporting ticket reconciliations.

In an effort to strengthen internal accounting controls, we recommend all ticket stubs be collected or pre-numbered tickets be issued and a formal ticket reconciliation be prepared and submitted to the Treasurer with the deposit information.

Vending Machines –

Our examination revealed that there are no formal reconciliations prepared comparing the number of items sold to the cash taken from the vending machines.

We recommend a reconciliation between the number of items sold and the cash taken from the vending machines be prepared on a regular basis.

**To the Board of Education
Wayne Central School District, New York**

(Current Year Control Deficiencies) (Continued)

Computer Controls –

During the course of our examination, we noted the following:

1. There is no formal process for adding or deleting vendors to/from the computer database.
2. Vendor change reports are not printed or reviewed.

We recommend the District review these items and develop the necessary corrective action during the next fiscal year.

Year End Encumbrances –

During the course of our examination, we noted there were two outstanding carryover purchase orders amounting to \$26,249 from June 30, 2007 that were cancelled during the 2007-08 fiscal year.

We recommend if a carryover encumbrance needs to be cancelled that a clear description be included on the face of the purchase order explaining the reason. In addition, the cancellation should also be approved by the business official.

Prior Year Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. The bank statements are now opened and reviewed by someone independent of the Treasurer prior to the monthly reconciliation being prepared.
2. Electronic bank transfers have a call back procedure in place and these call backs are now being documented.
3. The Special Aid Fund no longer has a deficit fund balance.
4. Journal entries are now being routinely reviewed and authorized.
5. The Form W-4's examined matches the withholding on the system.
6. An additional password is needed to authorize a check run for payroll. Accounts payable checks require the signature disk from the Treasurer.
7. Finance Manager automatically displays the next available check number.

**To the Board of Education
Wayne Central School District, New York**

(Prior Year Recommendations) (Continued)

8. The District has achieved the objectives outlined in the July 2005 legislation that was intended to improve School District Accountability. The Board Training has been completed, the Audit Committee was formed, the Internal Audit Function has been implemented, and an RFP process is in place for Audit Services.
9. The District is in the process of selecting an actuary to complete a study to calculate the liability for postemployment healthcare benefits in accordance with GASB #43 and #45.

This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*

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*

We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

Raymond F. Wagon, CPA P.C.

October 10, 2007

WAYNE CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2007

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**Raymond F. Wager, CPA, P.C.
Certified Public Accountants**

332 Jefferson Road • Rochester, New York 14623
Tel: (585) 272-8040 • Fax: (585) 272-0423
E-Mail: theoffice@raymondwagercpa.com

Shareholders:

Raymond F. Wager, CPA

Thomas J. Lauffer, CPA

Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Wayne Central School District, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wayne Central School District, New York, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wayne Central School District, New York, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2007 on our consideration of the Wayne Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wayne Central School District's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Raymond F. Wager CPA, P.C." The signature is written in a cursive style.

October 10, 2007

Wayne Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2007. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total assets (what the district owns) exceeded its total liabilities (what the district owes) by \$31,166,607 (net assets) an increase of \$3,838,315 from the prior year. This increase is a result of capital outlay exceeding depreciation costs.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$13,316,943, an increase of \$3,057,782 in comparison with the prior year. This increase is a result of funding reserve accounts as part of the District's long range financial planning.

New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 3% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the undesignated fund balance of the General Fund was \$1,187,172 and this amount was within the statutory limit.

Federal and State Aid and Real Property Taxes which are considered general revenues accounted for \$36,778,588 or 90% of all revenues. Program specific revenues in the form of Charges for services, Operating Grants, and Operating Contributions accounted for \$2,364,094 or 6% of total revenues.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains five individual governmental funds; General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, and the school lunch fund which are reported as major funds. Data for the special aid fund, the debt service fund and the capital projects fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

Major Feature of the District-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net assets statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As A Whole

Net Assets

The District's combined net assets were larger on June 30, 2007, than they were the year before, increasing by 14% to \$31,166,607 as shown in table below.

	<u>Explanation</u>	<u>Governmental Activities</u>	<u>Total</u>
		<u>2007</u>	<u>Variance</u>
ASSETS:			
Current and Other Assets	Represents cash and cash equivalents together with other current assets	\$ 15,083,782	\$ 2,860,979
Capital Assets	Represents land, work in progress, and buildings (net of depreciation)	38,112,165	725,708
Total Assets		<u>\$ 53,195,947</u>	<u>\$ 3,586,687</u>
LIABILITIES:			
Long-Term Debt Obligations	Represents what District owes for serial bonds, post-employment benefits, and compensated absences	\$ 20,188,120	\$ (98,500)
Other Liabilities	Represents obligations to teachers' and employees' retirement systems, accounts payable, and accrued liabilities	1,841,220	(153,128)
Total Liabilities		<u>\$ 22,029,340</u>	<u>\$ (251,628)</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	What the District owns less any related outstanding debt	\$ 19,052,453	\$ 1,560,996
Restricted For:			
Debt Service	Funds restricted to pay debt service	584,923	91,935
Capital Reserve	Funds restricted for capital repair and capital improvement	6,707,515	2,814,116
Unrestricted	Represents net assets not legally restricted	4,821,716	(628,732)
Total Net Assets		<u>\$ 31,166,607</u>	<u>\$ 3,838,315</u>

The District's financial position is the product of many factors.

By far, the largest component of the School District's net assets (61%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are two restricted net asset balances, Debt Service, and Capital Reserve, which constitute 23% of total net assets. The remaining balance of unrestricted net assets, which is a surplus of \$4,821,716 or 16%, may be used to finance future operations.

Changes in Net Assets

The District's total revenue increased 6% to \$41,057,279. State and federal aid 33% and property taxes 57% accounted for most of the District's revenue. The remaining 10% of the revenue comes from operating grants, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 2% to \$37,218,964. The District's expenses are predominately related to education and caring for the students (Instruction) 73%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 14% of the total costs. See table below:

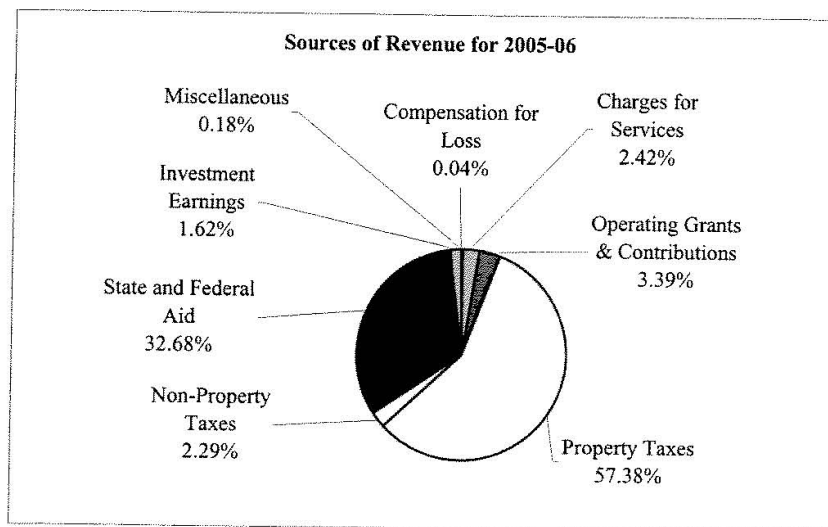
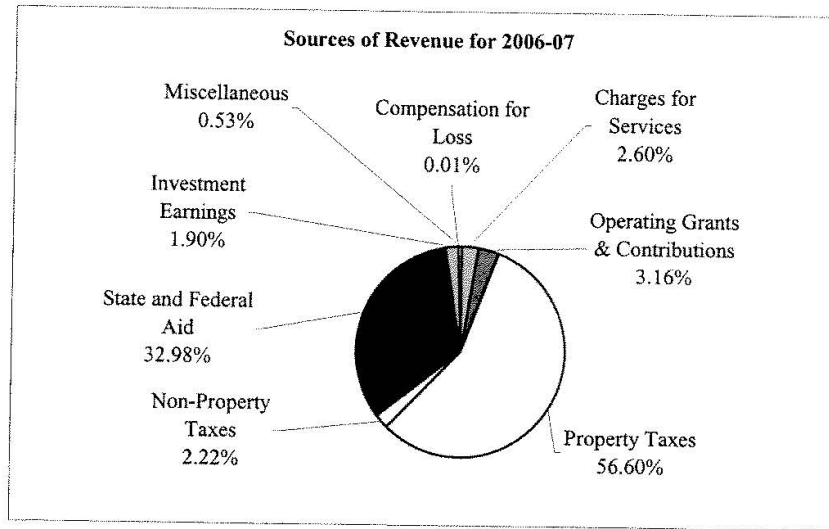
	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2007</u>	<u>2006</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Services	\$ 1,066,423	\$ 935,468	\$ 130,955
Operating Grants & Contributions	1,297,671	1,307,618	(9,947)
Total Program	\$ 2,364,094	\$ 2,243,086	\$ 121,008
<u>General -</u>			
Property Taxes	\$ 23,239,021	\$ 22,138,427	\$ 1,100,594
Non Property Taxes	910,673	883,563	27,110
State and Federal Aid	13,539,567	12,607,479	932,088
Investment Earnings	781,492	624,551	156,941
Compensation for Loss	4,389	13,645	(9,256)
Miscellaneous			
Total General	218,043	73,703	144,340
TOTAL REVENUES	\$ 38,693,185	\$ 36,341,368	\$ 2,351,817
	\$ 41,057,279	\$ 38,584,454	\$ 2,472,825
<u>EXPENSES:</u>			
General Support			
Instruction	\$ 5,239,338	\$ 5,202,925	\$ 36,413
Pupil Transportation	27,326,850	26,933,659	393,191
Community Services	2,822,781	2,615,058	207,723
School Lunch	14,160	6,097	8,063
Interest	1,035,246	918,352	116,894
Total Expenses	780,589	788,501	(7,912)
TOTAL EXPENSES	\$ 37,218,964	\$ 36,464,592	\$ 754,372
INCREASE IN NET ASSETS	\$ 3,838,315	\$ 2,119,862	\$ 1,718,453

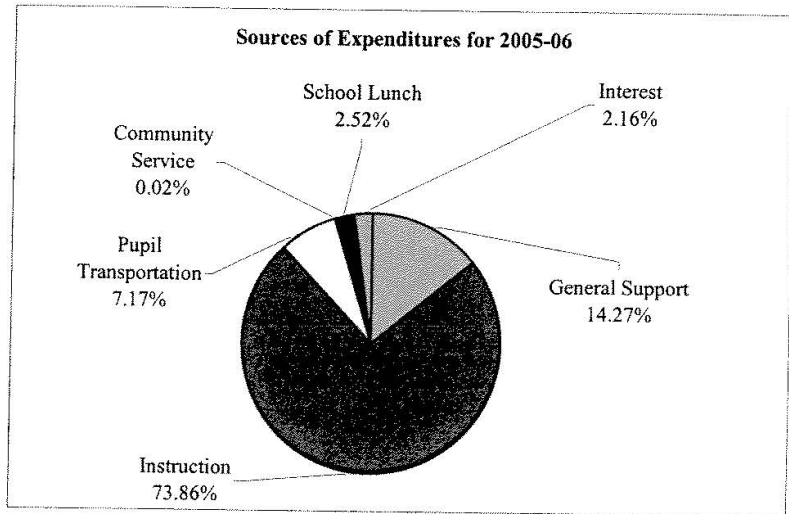
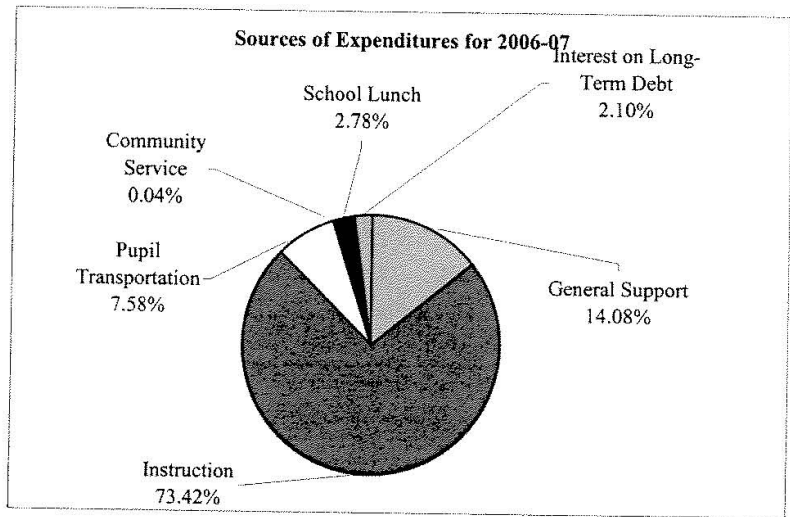
Explanation

Revenue received for services such as school lunch or breakfast
 Revenue received from other agencies

Property taxes collected by the District
 Sales taxes received from Wayne County
 Aid received from New York State and Federal Government
 Earnings on deposits and investments
 Revenue received for damage to or loss of District property
 Revenue received from various sources which are not explained in other categories

Expenses associated with the operation, maintenance and administration of the District
 Expenses associated with providing educational services to students
 Expenses associated with providing transportation services to students
 Expenses associated with various community services
 Expenses associated with providing lunch and breakfast for the District
 Interest paid on serial bonds





Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$13,316,943 which is more than last year's ending fund balance of \$10,259,161.

General Fund Reserve Balances:

	<u>Purpose</u>	<u>2007</u>	<u>2006</u>	<u>Variance</u>
Reserved for Unemployment Insurance	Used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants.	\$ 442,101	\$ 460,719	\$ (18,618)
Reserved for Encumbrances	The amount of outstanding encumbrances at the end of the fiscal year.	510,681	484,954	25,727
Capital Reserve	Capital reserve monies which were established by voters for capital project costs.	6,707,515	3,893,399	2,814,116
Reserved for Retirement Contributions	Used for the purpose of financing retirement contributions.			
Reserve for Insurance	To reserve funds for the payment of liability, casualty and other types of loss.	426,467	406,416	20,051
Reserved for Employee Benefit Accrued Liability	To reserve funds for the payment of any accrued employee benefits due to an employee upon termination of the employee's service.	570,988	542,785	28,203
Reserved for Liability	Funds to cover payment for potential liability claims.	239,887	228,609	11,278
		861,606	822,454	39,152
Total General Fund Reserve Balances		\$ 9,759,245	\$ 6,839,336	\$ 2,919,909

A reserve fund balance indicates that it is not available due to the fact that it is either legally restricted to liquidate current contracts and/or purchase orders or restricted for other purposes. The additional reserves and the increase in the amounts in various reserves demonstrate the continuing growth in the District's financial strength.

One of the most important pieces of information reported in the governmental fund financial statements is available fund balance. The fund balances represent the availability of various governmental fund resources for future use.

	<u>2007</u>	<u>2006</u>
Unreserved:		
Designated	\$ 900,000	\$ 900,000
Undesignated:		
General	\$ 1,187,172	\$ 757,362
Capital Projects	738,800	1,065,194
School Lunch	146,803	204,281
Total Undesignated	\$ 2,072,775	\$ 2,026,837

At the end of this year, the \$11,846,417 fund balance in the general fund was divided between \$9,759,245 in reserved fund balance, \$900,000 in unreserved-appropriated fund balance, and \$1,187,172 in unreserved-undesignated fund balance.

The appropriated portion, will be used in the 2007-08 fiscal year to fund operations. The unappropriated portion, is not specifically designated and will assist the District in cash flow needs.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$910,207. This change is attributable to \$484,454 of carryover encumbrances from the 2005-06 school year and \$425,253 for voter approved transfers from the capital reserve.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Charges for Services	\$326,837	More out of District students attending District special education consortium programs
Use of Money and Property	\$498,472	Interest earnings higher than originally anticipated
Miscellaneous	\$153,099	TRS overpayment refund, pre-school transportation
State Sources	\$956,762	Conservative state aid projections
Expenditure Items:	Budget Variance	Explanation for Budget Variance
General Support	\$1,056,127	Budgetary controls and reduced utilities cost due to a mild winter
Instruction	\$674,510	Budgetary controls and handicapped service costs
Pupil Transportation	\$283,950	Decrease in fuel costs
Employee Benefits	\$271,583	Retirement system costs less than anticipated
Debt Service - Principal	\$575,000	Budgetary controls
Debt Service - Interest	\$167,828	Budgetary controls

Capital Asset and Debt Administration

Capital Assets

By the end of the 2006-07 fiscal year, the District had invested \$38,112,165 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2007</u>	<u>2006</u>
Land	\$ 289,000	\$ 289,000
Work in Progress	1,186,582	14,122,106
Buildings and Improvements	34,911,906	21,171,594
Machinery and Equipment	1,724,677	1,803,757
Total	<u>\$ 38,112,165</u>	<u>\$ 37,386,457</u>

Long-Term Debt

At year end, the District had \$20,188,120 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2007</u>	<u>2006</u>
Serial Bonds	\$ 18,170,000	\$ 19,895,000
Installment Purchase Debt	1,628,512	-
Compensated Absences	389,608	391,620
Total Long-Term Obligations	<u>\$ 20,188,120</u>	<u>\$ 20,286,620</u>

Factors Bearing on the District's Future

The New York State Teachers' Retirement System (TRS) has indicated the rate to be used to calculate the TRS cost for the 2007-2008 fiscal year will be 8.73% for eligible salaries. This rate is .13% higher than the 2006-2007 rate of 8.60% of eligible salaries, therefore; slightly increasing the school's cost in the next fiscal year.

The District continues to implement the necessary changes to improve the issues of accountability and segregation of duties which are in compliance with the regulations outlined in the NYS Comptroller's Five Point Plan.

The District has developed a committee to study the District's long-range capital needs. This needs assessment has been reviewed by the Board and submitted to the architect to develop estimated costs.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Wayne Central School District
6200 Ontario Center Road
P.O. Box 155
Ontario Center, New York 14520
Attn: Mr. Gregory Atseff,
Assistant Superintendent for Business

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Assets

June 30, 2007

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,297,078
Accounts receivable	1,735,319
Inventories	51,385
Capital Assets:	
Land	289,000
Work in progress	1,186,582
Other capital assets (net of depreciation)	<u>36,636,583</u>
TOTAL ASSETS	<u>\$ 53,195,947</u>
LIABILITIES	
Accounts payable	\$ 118,745
Accrued liabilities	122,832
Deferred revenue	44,898
Due to other governments	336
Due to teachers' retirement system	1,446,844
Due to employees' retirement system	107,565
Long-Term Obligations:	
Due in one year	1,956,995
Due in more than one year	<u>18,231,125</u>
TOTAL LIABILITIES	<u>\$ 22,029,340</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 19,052,453
Restricted For:	
Debt service	584,923
Capital reserves	6,707,515
Unrestricted	<u>4,821,716</u>
TOTAL NET ASSETS	<u>\$ 31,166,607</u>

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
<u>Primary Government -</u>				<u>Governmental Activities</u>
General support	\$ 5,239,338	\$ -	\$ -	\$ (5,239,338)
Instruction	27,326,850	438,337	974,891	(25,913,622)
Pupil transportation	2,822,781	-	-	(2,822,781)
Community services	14,160	-	-	(14,160)
School lunch	1,035,246	628,086	322,780	(84,380)
Interest	780,589	-	-	(780,589)
Total Primary Government	\$ 37,218,964	\$ 1,066,423	\$ 1,297,671	\$ (34,854,870)

General Revenues:

Property taxes	\$ 23,239,021
Non property taxes	910,673
State and federal aid	13,539,567
Investment earnings	781,492
Compensation for loss	4,389
Miscellaneous	218,043
Total General Revenues	\$ 38,693,185
Changes in Net Assets	\$ 3,838,315
Net Assets, Beginning of Year (Restated)	27,328,292
Net Assets, End of Year	\$ 31,166,607

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2007

	General Fund	School Lunch Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,741,944	\$ 539,130	\$ 2,016,004	\$ 13,297,078
Receivables	1,175,221	23,219	536,879	1,735,319
Inventories	-	51,385	-	51,385
Due from other funds	1,819,796	10,258	630,593	2,460,647
TOTAL ASSETS	\$ 13,736,961	\$ 623,992	\$ 3,183,476	\$ 17,544,429
LIABILITIES AND FUND BALANCE				
Liabilities -				
Accounts payable	\$ 117,367	\$ 1,378	\$ -	\$ 118,745
Accrued liabilities	48,186	265	-	48,451
Due to other funds	192,354	449,956	1,818,337	2,460,647
Due to other governments	-	336	-	336
Due to TRS	1,446,844	-	-	1,446,844
Due to ERS	85,793	21,772	-	107,565
Deferred revenues	-	3,482	41,416	44,898
TOTAL LIABILITIES	\$ 1,890,544	\$ 477,189	\$ 1,859,753	\$ 4,227,486
Fund Balances -				
Reserved for,				
Unemployment insurance reserve	\$ 442,101	\$ -	\$ -	\$ 442,101
Encumbrances	510,681	-	-	510,681
Insurance reserve	570,988	-	-	570,988
Capital reserve	6,707,515	-	-	6,707,515
Retirement contribution reserve	426,467	-	-	426,467
Debt	-	-	584,923	584,923
Liability reserve	861,606	-	-	861,606
Employee benefit accrued liability reserve	239,887	-	-	239,887
Unreserved,				
Designated - ensuing fiscal year	900,000	-	-	900,000
Undesignated	1,187,172	146,803	738,800	2,072,775
TOTAL FUND BALANCE	\$ 11,846,417	\$ 146,803	\$ 1,323,723	\$ 13,316,943
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,736,961	\$ 623,992	\$ 3,183,476	

Amounts reported for governmental activities in the

Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 38,112,165
Funded employee benefit accrued liability which is reported as a liability on the Statement of Governmental Net assets and a reservation of fund balance on the governmental funds.	(239,887)
Interest is accrued on outstanding bonds in the statement of net assets but not in the funds.	(74,381)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(18,170,000)
Compensated absences	(149,721)
Installment purchase debt	(1,628,512)
Net Assets of Governmental Activities	\$ 31,166,607

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2007

	<u>General Fund</u>	<u>School Lunch Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes and tax items	\$ 23,239,021	\$ -	\$ -	\$ 23,239,021
Non-property taxes	910,673	-	-	910,673
Charges for services	438,337	-	-	438,337
Use of money and property	683,472	6,085	91,935	781,492
Sale of property and compensation for loss	40,960	-	147	41,107
Miscellaneous	214,099	3,732	4,514	222,345
State sources	13,502,382	23,583	176,611	13,702,576
Federal sources	37,185	299,197	793,978	1,130,360
Sales	-	628,086	-	628,086
TOTAL REVENUES	<u>\$ 39,066,129</u>	<u>\$ 960,683</u>	<u>\$ 1,067,185</u>	<u>\$ 41,093,997</u>
EXPENDITURES				
General support	\$ 4,558,674	\$ -	\$ -	\$ 4,558,674
Instruction	19,370,922	-	979,363	20,350,285
Pupil transportation	1,828,829	-	-	1,828,829
Community services	14,160	-	-	14,160
Employee benefits	7,040,138	146,055	12,261	7,198,454
Debt service - principal	1,725,000	-	-	1,725,000
Debt service - interest	736,913	-	-	736,913
Cost of sales	-	437,854	-	437,854
Other expenses	-	434,252	-	434,252
Capital outlay	-	-	2,380,306	2,380,306
TOTAL EXPENDITURES	<u>\$ 35,274,636</u>	<u>\$ 1,018,161</u>	<u>\$ 3,371,930</u>	<u>\$ 39,664,727</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 3,791,493</u>	<u>\$ (57,478)</u>	<u>\$ (2,304,745)</u>	<u>\$ 1,429,270</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers - in	\$ -	\$ -	\$ 441,774	\$ 441,774
Operating transfers - out	(441,774)	-	-	(441,774)
Proceeds from obligations	-	-	1,628,512	1,628,512
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (441,774)</u>	<u>\$ -</u>	<u>\$ 2,070,286</u>	<u>\$ 1,628,512</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ 3,349,719</u>	<u>\$ (57,478)</u>	<u>\$ (234,459)</u>	<u>\$ 3,057,782</u>
FUND BALANCE, BEGINNING OF YEAR	<u>8,496,698</u>	<u>204,281</u>	<u>1,558,182</u>	<u>10,259,161</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,846,417</u>	<u>\$ 146,803</u>	<u>\$ 1,323,723</u>	<u>\$ 13,316,943</u>

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

For Year Ended June 30, 2007

NET CHANGE IN FUND BALANCES -		
TOTAL GOVERNMENTAL FUNDS	\$	3,057,782
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets exceeded depreciation in the current period:</p>		
Capital Outlay	\$	1,420,710
Additions of Assets		454,966
Depreciation		<u>(1,149,967)</u>
		725,709
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Assets. The following details these items as they effect the governmental activities:</p>		
Debt Repayments	\$	1,725,000
Proceeds of Bond Issuance		<u>(1,628,512)</u>
		96,488
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		(43,676)
<p>In the Statement of Activities, vacation pay, teachers' retirement incentives and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:</p>		
Compensated Absences		<u>2,012</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u><u>3,838,315</u></u>

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
General Fund Statement of Revenues, Expenditures and Changes in Fund Equity
Budget and Actual
For Year Ended June 30, 2007

	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes and tax items	\$ 23,180,000	\$ 23,180,000	\$ 23,239,021	\$ 59,021
Non-property taxes	835,000	835,000	910,673	75,673
Charges for services	111,500	111,500	438,337	326,837
Use of money and property	185,000	185,000	683,472	498,472
Sale of property and compensation for loss	-	-	40,960	40,960
Miscellaneous	61,000	61,000	214,099	153,099
State sources	12,545,620	12,545,620	13,502,382	956,762
Federal sources	50,000	50,000	37,185	(12,815)
TOTAL REVENUES	\$ 36,968,120	\$ 36,968,120	\$ 39,066,129	\$ 2,098,009
EXPENDITURES				
General support	\$ 5,702,887	\$ 5,614,801	\$ 4,558,674	\$ 1,056,127
Instruction	19,928,012	20,045,432	19,370,922	674,510
Pupil transportation	2,118,570	2,112,779	1,828,829	283,950
Community services	13,990	17,320	14,160	3,160
Employee benefits	7,264,615	7,311,721	7,040,138	271,583
Debt service - principal	2,300,000	2,300,000	1,725,000	575,000
Debt service - interest	960,000	904,741	736,913	167,828
TOTAL EXPENDITURES	\$ 38,288,074	\$ 38,306,794	\$ 35,274,636	\$ 3,032,158
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,319,954)	\$ (1,338,674)	\$ 3,791,493	\$ 5,130,167
OTHER FINANCING SOURCES (USES)				
Operating transfers - out	\$ (65,000)	\$ (471,533)	\$ (441,774)	\$ 29,759
TOTAL OTHER FINANCING SOURCES (USES)	\$ (65,000)	\$ (471,533)	\$ (441,774)	\$ 29,759
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (1,384,954)	\$ (1,810,207)	\$ 3,349,719	\$ 5,159,926
FUND BALANCE, BEGINNING OF YEAR	8,496,698	8,496,698	8,496,698	-
FUND BALANCE, END OF YEAR	\$ 7,111,744	\$ 6,686,491	\$ 11,846,417	\$ 5,159,926

Note: Since Budgets for the Special Revenue Funds are not legally adopted, they are not presented in this statement.

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2007

	Private Purpose <u>Trust</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 59,153	\$ 200,187
Receivables (net of allowance)	-	10,098
TOTAL ASSETS	\$ 59,153	\$ 210,285
LIABILITIES		
Extraclassroom activity balances	\$ -	\$ 84,600
Other liabilities	-	125,685
TOTAL LIABILITIES	\$ -	\$ 210,285
NET ASSETS		
Reserved for scholarships	\$ 59,153	
TOTAL NET ASSETS	\$ 59,153	

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For Year Ended June 30, 2007

	Private Purpose <u>Trust</u>
ADDITIONS	
Miscellaneous	\$ 12,823
Investment earnings	<u>234</u>
TOTAL ADDITIONS	<u>\$ 13,057</u>
DEDUCTIONS	
Scholarships and donations	<u>\$ 10,637</u>
TOTAL DEDUCTIONS	<u>\$ 10,637</u>
CHANGE IN NET ASSETS	\$ 2,420
NET ASSETS, BEGINNING OF YEAR	<u>56,733</u>
NET ASSETS, END OF YEAR	<u><u>\$ 59,153</u></u>

(See accompanying notes to financial statements)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2007

I. Summary of Significant Accounting Policies:

The financial statements of the Wayne Central School District, New York (the 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 government's accounting policies are described below.

A. Reporting Entity

The Wayne Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. The cash and investment balances are reported in the Statement of Fiduciary Net Assets – Agency Funds of the District. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office.

B. Joint Venture

The District is a component of the Ontario, Seneca, Yates, Cayuga and Wayne Counties Board of Cooperative Educational Services (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

(I.) (Continued)

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

Financial statements for the BOCES are available from the BOCES administrative office.

C. **Basis of Presentation**

1. **Districtwide Statements**

The Statement of Net Assets and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

2. **Fund Financial Statements**

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following funds:

(I.) (Continued)

a. **Major Governmental Funds**

General Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The districtwide reconstruction project is considered major.

c. **Fiduciary** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private Purpose Trust Funds - These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

(I.) (Continued)

D. Basis of Accounting/Measurement Focus

The districtwide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Real Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 31, 2006. Taxes were collected during the period September 1, through October 31 2006.

Uncollected real property taxes are subsequently enforced by the County of Wayne, in which the District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than the forthcoming April 1.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

(I.) (Continued)

In the District-wide statements, the amounts reported on the Statement of Net Assets for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note IX for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents/Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. New York State Law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

J. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items for other purposes are recorded as expenditures at the time of purchase.

(I.) (Continued)

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the statement of net assets or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

L. Capital Assets - Property, Plant and Equipment

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

M. Deferred Revenue

The District reports deferred revenue in its basic financial statements. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to resources, the liability for deferred revenue is removed and revenue is recognized.

N. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

(I.) (Continued)

2. **Other Benefits**

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

District office administrative personnel are entitled to health insurance benefits upon retirement until death. Upon the member's death, the spouse is eligible for benefits until age 65. The Board of Education will pay 50% of this cost if the employee had between three and five years continuous active service immediately preceding retirement. The Board will pay 100% of the premium if the employee had more than five years of continuous service.

The instructional staff, upon retirement, are entitled to receive reimbursement for unused sick leave in a lump sum or elect to use these funds to defer the cost of continuing health insurance premiums.

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

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financials statement when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Assets.

P. **Equity Classifications**

1. **District-Wide Statements**

In the District-wide statements there are three classes of net assets:

Invested in Capital Assets, Net of Related Debt - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted Net Assets - reports net assets when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - reports all other net assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

(I.) (Continued)

2. **Fund Statements**

Unreserved fund balance consists of two classifications:

Designated Unreserved Fund Balance - indicates the planned use of these resources in the subsequent years' budget.

Undesignated Unreserved Fund Balance - reports remaining fund balance that has not been designated or reserved.

New York State Real Property Tax Law 1318 restricts the unreserved, undesignated fund balance of the General Fund to an amount not greater than 3% of the District's budget for the ensuing fiscal year.

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within the State of New York. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Fund balance reserves currently in use by the District include the following:

Unemployment Insurance Reserve - is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Reserve for Encumbrance - represents the amount of outstanding encumbrances at the end of the fiscal year.

Insurance Reserve - is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriation, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the General Fund.

(I.) (Continued)

Capital Reserve - The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. These reserves are accounted for in the General Fund.

Capital "Type" Reserves

Bus Purchase Reserve - established pursuant to voter authorization in May 2002 with a probable term of three years and ultimate funding which shall not exceed \$1,250,000.

Capital Reserve – 04 - established pursuant to voter authorization in May 2004 with a probable term of ten years and ultimate funding which shall not exceed \$5,000,000, plus accrued earnings.

Retirement Contribution Reserve - is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Reserve for Debt - is used for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Liability Reserve - is used to pay for property loss and liability claims incurred. This reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except a city school district with a population greater than 125,000. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve - is used to reserve funds for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

II. **Stewardship, Compliance and Accountability:**

A. **Budgets**

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

(II.) (Continued)

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2006-07 fiscal year the budget was increased \$425,253 for voter approved transfers from the capital reserve.

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, districtwide capital improvement project and nonmajor funds. Encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

III. Cash and Cash Equivalents:

A. Cash

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with securities held by the pledging		<u>14,193,326</u>
Total		<u>\$ 14,193,326</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$1,776,178 within the governmental funds and \$59,153 in the fiduciary funds.

IV. Receivables:

Receivables at June 30, 2007 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>School Lunch Fund</u>	<u>Nonmajor Funds</u>	
Accounts Receivable	\$ 14,804	\$ 5,297	\$ 411,025	\$ 431,126
Due From State and Federal	503,723	17,922	125,854	647,499
Due From Other Governments	656,694	-	-	656,694
Total	\$ 1,175,221	\$ 23,219	\$ 536,879	\$ 1,735,319

District management has deemed the amounts to be fully collectible.

V. Participation in BOCES:

During the year, the District was billed \$2,147,085 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$786,777.

VI. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2007 were as follows:

<u>Type</u>	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2007</u>
<u>Governmental Activities:</u>				
<u>Capital assets that are not depreciated -</u>				
Land	\$ 289,000	\$ -	\$ -	\$ 289,000
Work in progress	14,122,106	1,954,906	(14,890,430)	1,186,582
<i>Total Nondepreciable</i>	<u>\$ 14,411,106</u>	<u>\$ 1,954,906</u>	<u>\$ (14,890,430)</u>	<u>\$ 1,475,582</u>
<u>Capital assets that are depreciated -</u>				
Buildings and improvements	\$ 32,565,949	\$ 14,356,234	\$ -	\$ 46,922,183
Machinery and equipment	4,850,716	491,684	(353,619)	4,988,781
<i>Total Depreciable</i>	<u>\$ 37,416,665</u>	<u>\$ 14,847,918</u>	<u>\$ (353,619)</u>	<u>\$ 51,910,964</u>
<u>Less accumulated depreciation -</u>				
Buildings and improvements	\$ 11,394,355	\$ 615,922		\$ 12,010,277
Machinery and equipment	3,046,959	534,046	(316,901)	3,264,104
<i>Total accumulated depreciation</i>	<u>\$ 14,441,314</u>	<u>\$ 1,149,968</u>	<u>\$ (316,901)</u>	<u>\$ 15,274,381</u>
<i>Total capital assets depreciated, net of accumulated depreciation</i>	<u>\$ 22,975,351</u>	<u>\$ 13,697,950</u>	<u>\$ (36,718)</u>	<u>\$ 36,636,583</u>
Total Capital Assets	<u>\$ 37,386,457</u>	<u>\$ 15,652,856</u>	<u>\$ (14,927,148)</u>	<u>\$ 38,112,165</u>

Fixed assets have been restated at July 1, 2006 by decreasing in the amount of \$5,766,697.

(VI.) (Continued)

Depreciation expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	
General government support	\$ 28,157
Instruction	572,076
Pupil transportation	532,650
School lunch	17,085
Total Depreciation Expense	\$ 1,149,968

VII. Long-Term Debt Obligations:

Long-term debt obligations balances and activity for the year are summarized below:

<u>Governmental Activities:</u>	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due Within</u>	<u>Due Within</u>
<u>Bonds and Notes Payable -</u>	<u>7/1/2006</u>			<u>6/30/2007</u>	<u>One Year</u>	<u>More Than</u>
						<u>One Year</u>
Serial Bonds	\$ 19,895,000	\$ -	\$ 1,725,000	\$ 18,170,000	\$ 1,780,000	\$ 16,390,000
Installment Purchase Debt	-	1,628,512	-	1,628,512	79,593	1,548,919
Total Bonds and Notes Payable	\$ 19,895,000	\$ 1,628,512	\$ 1,725,000	\$ 19,798,512	\$ 1,859,593	\$ 17,938,919
<u>Other Liabilities -</u>						
Compensated Absences	\$ 391,620	\$ 14,887	\$ 16,899	\$ 389,608	\$ 97,402	\$ 292,206
Total Long-Term Obligations	\$ 20,286,620	\$ 1,643,399	\$ 1,741,899	\$ 20,188,120	\$ 1,956,995	\$ 18,231,125

The General fund has typically been used to liquidate long-term liabilities such as compensated absences.

(VII.) (Continued)

Existing serial and statutory bond obligations:

<u>Purpose</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2007</u>
Serial Bonds -				
Construction	2002	2015	Various	\$ 4,725,000
Additions and Reconstruction	2005	2020	Various	13,445,000
Total Serial Bonds				<u>\$ 18,170,000</u>
Installment Purchase Debt -				
Installment Purchase Debt	2007	2022	4.29%	<u>\$ 1,628,512</u>

Proceeds from the installment purchase debt are held by a third party administrator. As expenditures are incurred, they are paid by the third party. Unspent proceeds as of June 30, 2007 which totaled \$408,731 are recorded as a receivable in the Capital Projects Fund.

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Energy Performance Contract</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007-08	\$ 1,780,000	\$ 681,313	\$ 79,593	\$ 69,863
2008-09	1,855,000	621,462	83,007	66,449
2009-10	1,910,000	556,538	86,568	62,888
2010-11	1,385,000	487,075	90,282	59,173
2011-12	1,440,000	433,937	94,155	55,301
2012-17	6,025,000	1,409,175	534,943	212,336
2017-22	3,775,000	306,200	659,964	87,314
Total	<u>\$ 18,170,000</u>	<u>\$ 4,495,700</u>	<u>\$ 1,628,512</u>	<u>\$ 613,324</u>

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$1,120,000 of bonds outstanding are considered defeased.

Interest on long-term debt for the year was composed of:

Interest paid	\$ 736,913
<u>Less:</u> interest accrued in the prior year	(30,705)
<u>Plus:</u> interest accrued in the current year	74,381
Total interest expense	<u>\$ 780,589</u>

VIII. Pension Plans:

A. General Information

The District participates in the New York State and Local Employees' Retirement System (NYSERS), and the New York State Teachers' Retirement System (NYSTRS). These Systems are cost sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

B. Provisions and Administration

The New York State Teachers' Retirement Board administers NYSTRS. The System provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to NYSTRS, 10 Corporate Woods, Albany, NY 12211-2395.

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to NYSERS, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

C. Funding Policies

The Systems are noncontributory for the employee, except for those who joined the systems after July 27, 1976, who contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For NYSERS the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>NYSTRS</u>	<u>NYSERS</u>
2007	\$ 1,260,333	\$ 430,464
2006	\$ 1,231,184	\$ 429,857
2005	\$ 781,766	\$ 454,345

IX. Interfund Transactions – Governmental Fund:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,819,796	\$ 192,354	\$ -	\$ 441,774
Special Aid Fund	45,670	372,228	16,521	-
School Lunch Fund	10,258	449,956	-	-
Debt Service Fund	584,923	-	-	-
Capital Fund	-	1,446,109	425,253	-
Total government activities	\$ 2,460,647	\$ 2,460,647	\$ 441,774	\$ 441,774

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Assets.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

X. Postemployment Benefits:

The total cost to the District to provide this benefit to 163 retirees totaled \$360,319 for the 2006-07 fiscal year.

XI. Risk Management:

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B. Workers' Compensation

The District incurs costs related to the Wayne-Finger Lakes Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, of Ontario, Seneca, Yates, Cayuga and Wayne Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Ontario, Seneca, Yates, Cayuga and Wayne Counties BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

(XI.) (Continued)

Plan membership is currently comprised of thirteen districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2007, the Wayne Central School District incurred premiums or contribution expenditures totaling \$188,450.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2006, revealed that the Plan is fully funded.

C. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2006-07 fiscal year totaled \$40,391. The balance of the fund at June 30, 2007 was \$442,101 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2007, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XII. Contingencies and Commitments:

A. The District has received grants, which are subject to audit by agencies of the State and Federal Governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

B. Litigation Note

No litigation or judgments are pending against the District as of the balance sheet date.

XIII. Lease Obligations (Operating Leases):

The District leases a copier under the terms of various non-cancelable leases. Rental expense for the copier was \$12,416.

Minimum annual rentals for each of the remaining years of the lease are as follows:

Year Ending		
<u>June 30,</u>	<u>Amount</u>	
2008	\$	18,624
2009	\$	18,624
2010	\$	18,624
2011	\$	18,624
2012	\$	6,208

XIV. Fund Balances:

Portions of fund balances are reserved and are not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

XV. Rental Income:

The District received \$5,000 for classrooms leased to Wayne County Action Program during the 2006-07 fiscal year.

XVI. Related Parties:

The District Treasurer and the Administrative Assistant are related. In addition, the District Clerk and Accounts Payable Clerk are related by marriage.

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2007

	<u>Special Revenue Fund</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Special Aid Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 239,826	\$ -	\$ 1,776,178	\$ 2,016,004
Receivables	128,148	-	408,731	536,879
Due from other funds	45,670	584,923	-	630,593
TOTAL ASSETS	<u><u>\$ 413,644</u></u>	<u><u>\$ 584,923</u></u>	<u><u>\$ 2,184,909</u></u>	<u><u>\$ 3,183,476</u></u>
LIABILITIES AND FUND BALANCE				
<u>Liabilities -</u>				
Due to other funds	\$ 372,228	\$ -	\$ 1,446,109	\$ 1,818,337
Deferred revenues	41,416	-	-	41,416
TOTAL LIABILITIES	<u><u>\$ 413,644</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,446,109</u></u>	<u><u>\$ 1,859,753</u></u>
<u>Fund Balances -</u>				
Reserved for,				
Debt	\$ -	\$ 584,923	\$ -	\$ 584,923
Unreserved,				
Undesignated	-	-	738,800	738,800
TOTAL FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ 584,923</u></u>	<u><u>\$ 738,800</u></u>	<u><u>\$ 1,323,723</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 413,644</u></u>	<u><u>\$ 584,923</u></u>	<u><u>\$ 2,184,909</u></u>	<u><u>\$ 3,183,476</u></u>

(See Independent Auditors' Report)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Year Ended June 30, 2007

	<u>Special Revenue Fund</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Special Aid Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
REVENUES				
Use of money and property	\$ -	\$ 91,935	\$ -	\$ 91,935
Sale of property and compensation for loss	-	-	147	147
Miscellaneous	4,514	-	-	4,514
State sources	176,611	-	-	176,611
Federal sources	793,978	-	-	793,978
TOTAL REVENUES	<u>\$ 975,103</u>	<u>\$ 91,935</u>	<u>\$ 147</u>	<u>\$ 1,067,185</u>
EXPENDITURES				
Instruction	\$ 979,363	\$ -	\$ -	\$ 979,363
Employee benefits	12,261	-	-	12,261
Capital outlay	-	-	2,380,306	2,380,306
TOTAL EXPENDITURES	<u>\$ 991,624</u>	<u>\$ -</u>	<u>\$ 2,380,306</u>	<u>\$ 3,371,930</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (16,521)</u>	<u>\$ 91,935</u>	<u>\$(2,380,159)</u>	<u>\$ (2,304,745)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers - in	\$ 16,521	\$ -	\$ 425,253	\$ 441,774
Proceeds from obligations	-	-	1,628,512	1,628,512
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 16,521</u>	<u>\$ -</u>	<u>\$ 2,053,765</u>	<u>\$ 2,070,286</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 91,935</u>	<u>\$ (326,394)</u>	<u>\$ (234,459)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>492,988</u>	<u>1,065,194</u>	<u>1,558,182</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 584,923</u>	<u>\$ 738,800</u>	<u>\$ 1,323,723</u>

(See Independent Auditors' Report)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
GENERAL FUND
Analysis of Change from Original Budget to Revised Budget
For Year Ended June 30, 2007

Original Budget		\$ 37,868,120
Additions:		
Budget revisions	\$ 425,253	
Encumbrances	<u>484,954</u>	
Total Additions		910,207
Deductions:		
Budget revisions	<u>\$ -</u>	
Total Deductions		<u>-</u>
Revised Budget		<u><u>\$ 38,778,327</u></u>

GENERAL FUND
Analysis of Use of Fund Balance as of the
Beginning of Year Ended June 30, 2007

A909 Fund Balance as of Beginning of Year (Unreserved)		\$ 1,657,362
Less:		
A599 appropriated fund balance used for levy of taxes	\$ 900,000	
A599 appropriated fund balance used for other purposes	<u>-</u>	
Total A599 Appropriated Fund Balance		<u>900,000</u>
Fund Balance (Undesignated)		<u><u>\$ 757,362</u></u>

(See Independent Auditors' Report)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
 CAPITAL PROJECTS FUND
 Schedule of Project Expenditures
 June 30, 2007

Project Title	Original Appropriation	Revised Appropriation	Prior Year's	Expenditures		Total	Unexpended Balance	Methods of Financing		Fund Balance
				Current Year	Total			Obligations	Local Sources	
Capital Improvements - Equipment	\$ 13,995,000	\$ 14,080,639	\$ 13,853,339	\$ -	\$ 13,853,339	\$ 14,080,639	\$ 227,300	\$ -	\$ -	\$ 227,300
Districtwide Construction 2002	14,960,000	14,960,000	14,122,106	768,324	14,890,430	14,960,000	69,570	-	-	69,570
Bus Purchases (2006-07)	425,400	425,400	-	425,400	425,400	-	-	425,400	-	-
Installation Purchase	1,628,512	1,628,512	-	1,186,582	1,186,582	1,628,512	441,930	-	-	441,930
TOTAL	\$ 31,008,912	\$ 31,094,551	\$ 27,975,445	\$ 2,380,306	\$ 30,355,751	\$ 30,669,151	\$ 738,800	\$ 425,400	\$ 31,094,551	\$ 738,800

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of General Fund Revenues and Expenditures - Budget and Actual
For Year Ended June 30, 2007

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 14,347,211	\$ 14,347,211	\$ 14,344,933	\$ (2,278)
Real property tax items	8,832,789	8,832,789	8,894,088	61,299
Non-property taxes	835,000	835,000	910,673	75,673
Charges for services	111,500	111,500	438,337	326,837
Use of money and property	185,000	185,000	683,472	498,472
Sale of property and compensation for loss	-	-	40,960	40,960
Miscellaneous	61,000	61,000	214,099	153,099
State Sources -				
Basic formula	9,269,998	9,269,998	9,951,984	681,986
Lottery aid	2,308,887	2,308,887	2,308,887	-
BOCES	635,320	635,320	786,777	151,457
Textbooks	165,715	165,715	166,514	799
All Other Aid -				
Computer software	41,105	41,105	38,240	(2,865)
Library loan	16,180	16,180	16,428	248
Sound basic aid	108,415	108,415	233,552	125,137
Federal Sources	<u>50,000</u>	<u>50,000</u>	<u>37,185</u>	<u>(12,815)</u>
TOTAL REVENUES	<u>\$ 36,968,120</u>	<u>\$ 36,968,120</u>	<u>\$ 39,066,129</u>	<u>\$ 2,098,009</u>
Appropriated Fund Balance	<u>\$ 900,000</u>	<u>\$ 1,810,207</u>		
TOTAL REVENUES AND				
APPROPRIATED FUND BALANCE	<u><u>\$ 37,868,120</u></u>	<u><u>\$ 38,778,327</u></u>		

(See Independent Auditors' Report)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of General Fund Revenues and Expenditures - Budget and Actual

For Year Ended June 30, 2007

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support					
Board of education	\$ 36,520	\$ 45,140	\$ 33,692	\$ 60	\$ 11,388
Central administration	205,940	210,557	209,384	222	951
Finance	394,935	477,345	446,298	19,552	11,495
Staff	419,775	593,921	318,743	185,857	89,321
Central services	3,756,680	3,714,277	3,001,675	66,655	645,947
Special items	580,420	573,561	548,882	-	24,679
Instructional					
Instruction, administration and improvement	1,383,050	1,386,024	1,322,321	4,312	59,391
Teaching - regular school	10,858,930	10,697,868	10,486,528	89,693	121,647
Programs for children with handicapping conditions	4,100,580	4,216,770	4,057,812	14,027	144,931
Occupational education	781,055	815,061	808,132	-	6,929
Teaching - special schools	109,735	165,647	155,157	-	10,490
Instructional media	788,065	944,508	807,623	115,962	20,923
Pupil services	1,739,750	1,819,554	1,733,349	1,761	84,444
Pupil Transportation	2,111,070	2,112,779	1,828,829	11,830	272,120
Community Services	12,000	17,320	14,160	750	2,410
Employee Benefits	7,264,615	7,311,721	7,040,138	-	271,583
Debt service - principal	2,300,000	2,300,000	1,725,000	-	575,000
Debt service - interest	960,000	904,741	736,913	-	167,828
TOTAL EXPENDITURES	\$ 37,803,120	\$ 38,306,794	\$ 35,274,636	\$ 510,681	\$ 2,521,477
Other Uses					
Interfund transfers - out	\$ 65,000	\$ 471,533	\$ 441,774	\$ -	\$ 29,759
TOTAL EXPENDITURES AND OTHER USES	\$ 37,868,120	\$ 38,778,327	\$ 35,716,410	\$ 510,681	\$ 2,551,236
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES					
	\$ -	\$ -	\$ 3,349,719		

(See Independent Auditors' Report)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Investment in Capital Assets, Net of Related Debt

For Year Ended June 30, 2007

Capital assets, net		\$ 38,112,165
Add:		
Unspent bond proceeds	\$ 738,800	738,800
Deduct:		
Short-term portion of bonds payable	\$ 1,780,000	
Long-term portion of bonds payable	16,390,000	
Short-term portion of installment purchase debt	79,593	
Long-term portion of installment purchase debt	1,548,919	
		<u>19,798,512</u>
Investment in capital assets, net of related debt		<u>\$ 19,052,453</u>

(See Independent Auditors' Report)

WAYNE CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Certain Revenues and Expenditures Compared to ST-3 Data

For Year Ended June 30, 2007

	Account	ST-3	Audited
<u>REVENUES</u>	<u>Code</u>	<u>Amount</u>	<u>Amount</u>
Property Taxes	A-1001	\$ 14,344,933	\$ 14,344,933
Non-Property Taxes	AT-1199	\$ 910,673	\$ 910,673
State Sources	AT-3999	\$ 13,502,382	\$ 13,502,382
Federal Sources	AT-4999	\$ 37,185	\$ 37,185
Total Revenues and Other Sources	AT-5999	\$ 39,066,129	\$ 39,066,129
<u>EXPENDITURES</u>			
General Support	AT-1999	\$ 4,558,674	\$ 4,558,674
Pupil Transportation	AT-5599	\$ 1,828,829	\$ 1,828,829
Debt Service - Principal	AT-9798.6	\$ 1,725,000	\$ 1,725,000
Debt Service - Interest	AT-9798.7	\$ 736,913	\$ 736,913
Total Expenditures and Other Uses	AT-9999	\$ 35,716,410	\$ 35,716,410

(See Independent Auditors' Report)

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New York State Society of
Certified Public Accountants

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance With
*Government Auditing Standards***

To the Board of Education
Wayne Central School District, New York

We have audited the financial statements of Wayne Central School District as of and for the year ended June 30, 2007, and have issued our report thereon dated October 10, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Wayne Central School District in a separate letter dated October 10, 2007.

This report is intended solely for the information and use of the audit committee, management, Board of Education and the Federal Awarding Agencies and is not intended to be and should not be used by anyone other than these specified parties.

Raymond F. Wager, CPA, P.C.

October 10, 2007