

MAHONING COUNTY CAREER AND TECHNICAL CENTER

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009



Mary Taylor, CPA
Auditor of State

Board of Education
Mahoning County Career and Technical Center
7300 North Palmyra Road
Canfield, Ohio 44406

We have reviewed the *Independent Auditor's Report* of the Mahoning County Career and Technical Center, Mahoning County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 4, 2009

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**MAHONING COUNTY CAREER AND TECHNICAL CENTER
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Mahoning County Career and Technical Center

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, Ohio (the Center), as of and for the year ended June 30, 2009, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Mahoning County Career and Technical Center, Ohio'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 Mahoning County Career and Technical Center, Ohio, as of June 30, 2009, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2009, on our consideration of the Mahoning County Career and Technical Center, Ohio'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.

Management's Discussion and Analysis 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 Mahoning County Career and Technical Center, Ohio's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Mahoning County Career and Technical Center, Ohio. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



James G. Zupka, CPA, Inc.
Certified Public Accountants

October 12, 2009

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

This discussion and analysis of the Mahoning County Career & Technical Center's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

- The District's assets exceeded its liabilities at June 30, 2009, by \$29,689,147 and net assets increased by \$299,197 during the fiscal year.
- General revenues accounted for \$11,308,396 in revenue or 86.5 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,618,916 or 12.4 percent of total revenues of \$13,077,296.
- The District had \$12,778,099 in expenses related to governmental activities; only \$1,618,916 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$11,308,396 were adequate to provide for these programs.
- The general fund had \$11,357,190 in revenues and \$9,635,270 in expenditures, excluding other financing sources and uses. The general fund also received the final insurance proceeds during fiscal year 2009 in the amount of \$149,984. The general fund balance increased by \$837,896.
- The building capital projects fund had \$102,801 in revenues, and also received certificates of participation, net of discount, in the amount of \$14,245,665 and \$9,536,143 in expenditures on a modified accrual basis. The building capital projects fund balance increased by \$6,512,323 during fiscal year 2009.

Using this Annual Financial Report

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

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

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the District as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine whether the District is financially improving or declining as a result of the year's financial activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Changes to our net assets are a direct result of the District's property tax base, facility conditions, required educational programs, student enrollment, and general inflation.

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation of non-instructional services, and extracurricular activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The general fund and the building capital projects fund are the most significant funds of the District.

Governmental Funds

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

The District as a Whole

As stated previously the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for fiscal year 2009 compared to 2008.

Table 1
Net Assets
Governmental Activities

	2009	2008	Change
Assets			
Current and Other Assets	\$35,370,777	\$26,896,224	\$8,474,553
Capital Assets	19,319,306	10,964,872	8,354,434
<i>Total Assets</i>	<u>54,690,083</u>	<u>37,861,096</u>	<u>16,828,987</u>
Liabilities			
Current Liabilities	8,578,460	7,370,705	1,207,755
Long-Term Liabilities			
Due within One Year	280,447	55,755	224,692
Due in More than One Year	16,142,029	1,044,686	15,097,343
<i>Total Liabilities</i>	<u>25,000,936</u>	<u>8,471,146</u>	<u>16,529,790</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	4,312,369	10,964,872	(6,652,503)
Restricted	23,009,974	1,812,222	21,197,752
Unrestricted	2,366,804	16,612,856	(14,246,052)
<i>Total Net Assets</i>	<u>\$29,689,147</u>	<u>\$29,389,950</u>	<u>\$299,197</u>

Total assets increased by \$16,828,987 primarily due to an increase in capital assets from the previous fiscal year for construction in progress as well as cash on hand in the form of unspent proceeds from the certificates of participation.

Total liabilities increased by \$16,529,790. The majority of this increase was due to the issuance, and corresponding liability recognition, of the certificates of participation, as well as increases in contracts payable and retainage payable due to outstanding contractual commitments.

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$29,689,147.

At fiscal year-end, capital assets represented over 35 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of depreciation at June 30, 2009, were \$19,319,306. These capital assets are used to provide services to the students and are not available for future spending.

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Table 2 shows the change in net assets for fiscal year ended June 30, 2009 as compared to 2008.

Table 2
Change in Net Assets
Governmental Activities

	2009	2008	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$891,880	\$944,133	(\$52,253)
Operating Grants and Contributions	711,473	1,252,746	(541,273)
Capital Grants and Contributions	15,563	0	15,563
<i>Total Program Revenues</i>	<u>1,618,916</u>	<u>2,196,879</u>	<u>(577,963)</u>
General Revenues			
Property Taxes	6,245,660	6,511,878	(266,218)
Grants and Entitlements not Restricted to Specific Programs	4,135,899	3,946,913	188,986
Investment Earnings	872,099	553,196	318,903
Miscellaneous	54,738	28,752	25,986
Extraordinary Item - Impairment Gain on Fire Damage, Net of Insurance Recovery	149,984	0	149,984
<i>Total General Revenues & Extraordinary Items</i>	<u>11,458,380</u>	<u>11,040,739</u>	<u>417,641</u>
<i>Total Revenues</i>	<u>13,077,296</u>	<u>13,237,618</u>	<u>(160,322)</u>
Program Expenses			
Current:			
Instruction:			
Regular	1,373,942	1,592,664	(218,722)
Vocational	4,121,881	4,845,405	(723,524)
Adult/Continuing	745,474	664,057	81,417
Support Services:			
Pupils	1,103,966	1,150,651	(46,685)
Instructional Staff	1,502,728	1,350,296	152,432
Board of Education	63,907	65,364	(1,457)
Administration	853,070	779,667	73,403
Fiscal	689,081	437,135	251,946
Business	1,201	0	1,201
Operation and Maintenance of Plant	1,148,488	1,221,314	(72,826)
Pupil Transportation	45,163	52,592	(7,429)
Central	198,788	241,986	(43,198)
Operation of Non-Instructional Services	15,042	51,512	(36,470)
Operation of Food Services	317,823	192,813	125,010
Extracurricular Activities	73,690	75,281	(1,591)
Interest and Fiscal Charges	523,855	0	523,855
<i>Total Program Expenses</i>	<u>12,778,099</u>	<u>12,720,737</u>	<u>57,362</u>
<i>Increase in Net Assets</i>	299,197	516,881	(217,684)
Net Assets Beginning of Year	<u>29,389,950</u>	<u>28,873,069</u>	<u>516,881</u>
<i>Net Assets End of Year</i>	<u>\$29,689,147</u>	<u>\$29,389,950</u>	<u>\$299,197</u>

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Governmental Activities

Net assets of the District's governmental activities increased \$299,197 during fiscal year 2009. Total governmental expenses of \$12,778,099 were offset by program revenues of \$1,618,916 and general revenues of \$11,308,396. General revenues supported over 88 percent of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent over 79 percent of total governmental revenue.

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

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2009		2008	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$6,241,297	\$5,613,907	\$7,102,126	\$6,150,240
Support Services	5,606,392	4,882,251	5,299,005	4,289,684
Operation of Non-Instructional Services	15,042	14,658	51,512	50,107
Food Service Operation	317,823	52,699	192,813	(39,400)
Extracurricular Activities	73,690	71,813	75,281	73,227
Interest and Fiscal Charges	523,855	523,855	0	0
<i>Total Expenditures</i>	<u>\$12,778,099</u>	<u>\$11,159,183</u>	<u>\$12,720,737</u>	<u>\$10,523,858</u>

The District's Funds

Information regarding the School District's major funds begins on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues, including other financing sources and insurance proceeds, of \$30,314,517 to offset expenditures, including other financing uses, of \$23,060,923. The net change in fund balance for the year was most significant in the building capital projects fund, which increased \$6,512,323. The general fund balance increased by \$837,896 during the fiscal year. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property taxes are the largest revenue source, accounting for more than 47 percent of total governmental revenue.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2009, the District approved amendments to its original general fund appropriations. The District budget is adopted on a fund basis and has in place systems that are designed to tightly control expenses but provide flexibility for program based decision and management.

For the general fund, actual revenue and other financing sources totaled \$237,457 more than original estimates and \$430,254 less than final estimates. Actual expenditures and other financing uses totaled \$388,289 less than original appropriations and \$547,211 less than final amended appropriations. The majority of this difference was due to an overall conservative approach for instruction expenditures and lower than expected operation and maintenance services.

Capital Assets

At the end of fiscal year 2009, the District had \$19,319,306 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles. Table 4 shows fiscal year 2009 balances compared to 2008.

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

	<u>2009</u>	<u>2008</u>
Land	\$125,000	\$125,000
Construction in Progress	15,917,780	7,195,173
Land Improvements	18,867	13,562
Buildings and Improvements	1,086,485	1,264,085
Furniture, Fixtures and Equipment	2,071,411	2,249,798
Vehicles	<u>99,763</u>	<u>117,254</u>
<i>Total</i>	<u>\$19,319,306</u>	<u>\$10,964,872</u>

All capital assets, except land and construction in progress, are reported net of depreciation. The increase in capital assets from the prior year was the result of construction in progress taking place on new District buildings in the amount of \$8,722,607. For more information about the District's capital assets, see Note 9 to the basic financial statements.

Long-Term Obligations

During fiscal year 2009 the District entered two lease agreements, a facilities lease and the ground lease, with the Ohio School Building Leasing Corporation, as lessor, for the purpose of constructing, furnishing, improving, equipping, lease and eventual acquisition, of additions, renovations and other improvements to the Career Center Building and related site improvements. The Ohio School Building Leasing Corporation in turn entered into an agreement with The Huntington National Bank, as Trustee, through which it assigned and transferred its rights, title, and interest under the leases to The Huntington National Bank. The Trustee issued Certificates of Participation in the amount of \$15,300,000, all of which were outstanding at June 30.

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

The Certificates of Participation will be repaid over 28 years with principal payment beginning in fiscal year 2010.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these lease-purchase agreements will not be construed as net indebtedness of the District. For more information about the District's long-term obligations, see Note 15 to the basic financial statements.

Current Related Financial Activity

On May 15, 2007 a devastating fire destroyed 32,000 square feet of the facility. An additional 180,000 square feet was affected as well, due to smoke and water damage. Since the fire the District has been involved in an insurance settlement to recover funds for the restoration of the building, mitigation, business interruption, extra expense, and contents lost or destroyed. As of June 30, 2009 the District has received \$13,358,271 in insurance proceeds. The district will finalize the claim sometime in fiscal year 2010.

The District approved a Program of Requirements for the reconstruction of the total loss area which was damaged by fire. The architect, in conjunction with the construction manager, finalized the drawings and the schematic design phase. Construction commenced on the rebuild of the fire damaged area in the summer of 2008. That phase of the construction project was completed and ready for use by the start of the 2009-2010 school year. The third phase of our construction project began during fiscal year 2009. This phase includes an addition to the current facility that will house adult education, culinary arts, and academic classroom space as well. With the addition the district also renovated other classroom space, science classrooms, office space, which includes a new administrative office, and a new stairwell.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Blaise Karlovic, Treasurer, Mahoning County Career & Technical Center, 7300 North Palmyra Road, Canfield, Ohio 44406 or email at BLAISE.KARLOVIC@MAHONINGCTC.COM.

Mahoning County Career & Technical Center

Mahoning County, Ohio

Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$8,874,819
Investments	18,260,359
Accrued Interest Receivable	4,808
Accounts Receivable	4,467
Intergovernmental Receivable	442,708
Property Taxes Receivable	6,710,104
Inventory Held for Resale	2,453
Materials and Supplies Inventory	27,996
Unamortized Bond Issuance Costs	293,063
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	750,000
Nondepreciable Capital Assets	16,042,780
Depreciable Capital Assets, Net	3,276,526
<i>Total Assets</i>	<u>54,690,083</u>
Liabilities	
Accounts Payable	107,761
Contracts Payable	1,111,697
Accrued Wages and Benefits Payable	711,764
Intergovernmental Payable	161,593
Matured Compensated Absences Payable	68,500
Retainage Payable	186,320
Deferred Revenue	6,156,786
Accrued Interest Payable	74,039
Long-Term Liabilities:	
Due Within One Year	280,447
Due In More Than One Year	16,142,029
<i>Total Liabilities</i>	<u>25,000,936</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	4,312,369
Restricted for:	
Capital Projects	22,259,974
Certificates of Participation	750,000
Unrestricted	2,366,804
<i>Total Net Assets</i>	<u>\$29,689,147</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
Instruction:					
Regular	\$1,373,942	\$34,297	\$1,000	\$0	(\$1,338,645)
Vocational	4,121,881	126,982	1,667	15,563	(3,977,669)
Adult/Continuing	745,474	308,918	138,963	0	(297,593)
Support Services:					
Pupils	1,103,966	22,130	222,125	0	(859,711)
Instructional Staff	1,502,728	123,796	131,707	0	(1,247,225)
Board of Education	63,907	1,628	0	0	(62,279)
Administration	853,070	89,871	35,573	0	(727,626)
Fiscal	689,081	9,281	0	0	(679,800)
Business	1,201	0	0	0	(1,201)
Operation and Maintenance of Plant	1,148,488	38,474	3,383	0	(1,106,631)
Pupil Transportation	45,163	925	0	0	(44,238)
Central	198,788	3,978	41,270	0	(153,540)
Operation of Non-Instructional Services	15,042	384	0	0	(14,658)
Operation of Food Services	317,823	129,339	135,785	0	(52,699)
Extracurricular Activities	73,690	1,877	0	0	(71,813)
Interest and Fiscal Charges	523,855	0	0	0	(523,855)
<i>Total Governmental Activities</i>	<u>\$12,778,099</u>	<u>\$891,880</u>	<u>\$711,473</u>	<u>\$15,563</u>	<u>(11,159,183)</u>
General Revenues					
Property Taxes Levied for:					
					6,245,660
					4,135,899
					872,099
					54,738
					<u>11,308,396</u>
<i>Total General Revenues</i>					
					11,308,396
Extraordinary Item					
					149,984
					<u>149,984</u>
					299,197
					<u>299,197</u>
					29,389,950
					<u>29,389,950</u>
					\$29,689,147
					<u>\$29,689,147</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

Balance Sheet
Governmental Funds
June 30, 2009

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,055,383	\$3,614,513	\$204,923	\$8,874,819
Investments	12,488,257	5,772,102	0	18,260,359
Accrued Interest Receivable	4,808	0	0	4,808
Accounts Receivable	259	0	4,208	4,467
Intergovernmental Receivable	435,696	0	7,012	442,708
Property Taxes Receivable	6,710,104	0	0	6,710,104
Inventory Held for Resale	0	0	2,453	2,453
Materials and Supplies Inventory	21,266	0	6,730	27,996
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	750,000	0	0	750,000
<i>Total Assets</i>	<u>\$25,465,773</u>	<u>\$9,386,615</u>	<u>\$225,326</u>	<u>\$35,077,714</u>
Liabilities				
Accounts Payable	\$1,300	\$103,276	\$3,185	\$107,761
Contracts Payable	0	1,111,697	0	1,111,697
Accrued Wages and Benefits Payable	653,238	0	58,526	711,764
Intergovernmental Payable	130,555	0	31,038	161,593
Matured Compensated Absences Payable	68,500	0	0	68,500
Retainage Payable	0	186,320	0	186,320
Deferred Revenue	6,704,970	0	7,012	6,711,982
<i>Total Liabilities</i>	<u>7,558,563</u>	<u>1,401,293</u>	<u>99,761</u>	<u>9,059,617</u>
Fund Balances				
Reserved for Encumbrances	270,198	7,851,354	2,416	8,123,968
Reserved for Certificates of Participation	750,000	0	0	750,000
Reserved for Property Taxes	5,134	0	0	5,134
Unreserved:				
Undesignated, Reported in:				
General Fund	16,881,878	0	0	16,881,878
Special Revenue Funds	0	0	94,162	94,162
Capital Projects Funds	0	133,968	28,987	162,955
<i>Total Fund Balances</i>	<u>17,907,210</u>	<u>7,985,322</u>	<u>125,565</u>	<u>26,018,097</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$25,465,773</u>	<u>\$9,386,615</u>	<u>\$225,326</u>	<u>\$35,077,714</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2009*

Total Governmental Fund Balances		\$26,018,097
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		19,319,306
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		
Property Taxes	548,184	
Intergovernmental (Grants)	<u>7,012</u>	
Total		555,196
In the statement of activities, interest is accrued on outstanding certificates of participation, whereas in governmental funds, an interest expenditure is reported when due.		(74,039)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Certificates of Participation Payable	(15,300,000)	
Discount on Certificates of Participation Payable	293,063	
Compensated Absences	<u>(1,122,476)</u>	
Total		<u>(16,129,413)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$29,689,147</u></u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$6,199,372	\$0	\$0	\$6,199,372
Tuition and Fees	205,697	0	485,271	690,968
Interest	768,628	102,801	670	872,099
Charges for Services	32,047	0	129,339	161,386
Extracurricular Activities	0	0	39,526	39,526
Contributions and Donations	1,667	0	0	1,667
Intergovernmental	4,135,899	0	924,870	5,060,769
Miscellaneous	13,880	0	40,858	54,738
<i>Total Revenues</i>	<u>11,357,190</u>	<u>102,801</u>	<u>1,620,534</u>	<u>13,080,525</u>
Expenditures				
Current:				
Instruction:				
Regular	1,293,242	0	1,000	1,294,242
Vocational	3,345,291	0	53,341	3,398,632
Adult/Continuing	0	0	681,298	681,298
Support Services:				
Pupils	851,348	0	223,192	1,074,540
Instructional Staff	1,112,888	0	339,173	1,452,061
Board of Education	62,347	0	0	62,347
Administration	684,267	0	132,387	816,654
Fiscal	388,987	315,666	0	704,653
Business	1,172	0	0	1,172
Operation and Maintenance of Plant	1,077,440	0	22,751	1,100,191
Pupil Transportation	35,425	0	0	35,425
Central	152,348	0	41,587	193,935
Operation of Non-Instructional Services	14,675	0	0	14,675
Operation of Food Services	0	0	301,829	301,829
Extracurricular Activities	72,023	0	0	72,023
Capital Outlay	105,273	9,220,477	4,609	9,330,359
Debt Service:				
Interest and Fiscal Charges	438,544	0	0	438,544
<i>Total Expenditures</i>	<u>9,635,270</u>	<u>9,536,143</u>	<u>1,801,167</u>	<u>20,972,580</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<u>1,721,920</u>	<u>(9,433,342)</u>	<u>(180,633)</u>	<u>(7,892,055)</u>
Other Financing Sources (Uses)				
Certificates of Participation Issued	750,000	14,550,000	0	15,300,000
Discount on Certificates of Participation Issued	0	(304,335)	0	(304,335)
Transfers In	0	1,700,000	84,008	1,784,008
Transfers Out	(1,784,008)	0	0	(1,784,008)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,034,008)</u>	<u>15,945,665</u>	<u>84,008</u>	<u>14,995,665</u>
Extraordinary Item				
Insurance Recovery	149,984	0	0	149,984
<i>Net Change in Fund Balances</i>	837,896	6,512,323	(96,625)	7,253,594
<i>Fund Balances Beginning of Year</i>	17,069,314	1,472,999	222,190	18,764,503
<i>Fund Balances End of Year</i>	<u>\$17,907,210</u>	<u>\$7,985,322</u>	<u>\$125,565</u>	<u>\$26,018,097</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2009*

Net Change in Fund Balances - Total Governmental Funds **\$7,253,594**

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

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

Capital Outlay	9,065,586	
Current Year Depreciation	<u>(711,152)</u>	
Total		8,354,434

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

Property Taxes	46,288	
Intergovernmental (Grants)	<u>(252,108)</u>	
Total		(205,820)

The net effect of other financing sources and uses in the governmental funds
is an increase to long-term liabilities in the statement of net assets.

Certificates of Participation Issued	(15,300,000)	
Discount on Certificates of Participation Issued	<u>304,335</u>	
Total		(14,995,665)

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

Accrued Interest on Certificates	(74,039)	
Amortization of Deferred Charges	<u>(11,272)</u>	
Total		(85,311)

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

(22,035)

Change in Net Assets of Governmental Activities

\$299,197

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$6,583,478	\$6,209,749	\$6,199,722	(\$10,027)
Tuition and Fees	177,614	224,765	205,697	(19,068)
Interest	510,286	645,752	590,970	(54,782)
Charges for Services	27,672	35,018	32,047	(2,971)
Contributions and Donations	1,439	1,822	1,667	(155)
Intergovernmental	3,195,020	4,043,205	3,700,203	(343,002)
Miscellaneous	10,961	13,870	13,621	(249)
<i>Total Revenues</i>	<u>10,506,470</u>	<u>11,174,181</u>	<u>10,743,927</u>	<u>(430,254)</u>
Expenditures				
Current:				
Instruction:				
Regular	1,344,809	1,343,277	1,275,930	67,347
Vocational	3,331,108	3,583,602	3,429,055	154,547
Support Services:				
Pupils	813,736	887,174	851,876	35,298
Instructional Staff	1,213,401	1,293,125	1,272,715	20,410
Board of Education	73,388	87,973	79,641	8,332
Administration	661,814	695,904	682,707	13,197
Fiscal	384,757	412,834	397,597	15,237
Business	623	1,172	1,172	0
Operation and Maintenance of Plant	1,202,462	1,235,713	1,103,407	132,306
Pupil Transportation	44,200	42,510	36,412	6,098
Central	168,987	169,707	157,552	12,155
Operation of Non-Instructional Services	14,736	14,736	14,675	61
Extracurricular Activities	69,899	75,401	71,658	3,743
Capital Outlay	986,733	159,481	151,993	7,488
Debt Service:				
Interest and Fiscal Charges	995,000	438,544	438,544	0
<i>Total Expenditures</i>	<u>11,305,653</u>	<u>10,441,153</u>	<u>9,964,934</u>	<u>476,219</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<u>(799,183)</u>	<u>733,028</u>	<u>778,993</u>	<u>45,965</u>
Other Financing Sources (Uses)				
Insurance Proceeds	3,035,050	3,035,050	3,035,050	0
Certificates of Participation Issued	750,000	750,000	750,000	0
Advances Out	(5,000)	(5,000)	0	5,000
Transfers Out	(50,000)	(1,850,000)	(1,784,008)	65,992
<i>Total Other Financing Sources (Uses)</i>	<u>3,730,050</u>	<u>1,930,050</u>	<u>2,001,042</u>	<u>70,992</u>
<i>Net Change in Fund Balance</i>	2,930,867	2,663,078	2,780,035	116,957
<i>Fund Balance Beginning of Year</i>	14,462,820	14,462,820	14,462,820	0
<i>Prior Year Encumbrances Appropriated</i>	675,052	675,052	675,052	0
<i>Fund Balance End of Year</i>	<u>\$18,068,739</u>	<u>\$17,800,950</u>	<u>\$17,917,907</u>	<u>\$116,957</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center

Mahoning County, Ohio

Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2009

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$24,422</u>
Liabilities	
Due to Students	<u>\$24,422</u>

See accompanying notes to the basic financial statements

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 1 - Description of the School District and Reporting Entity

The Mahoning County Career & Technical Center (School District) is a joint vocational school district as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The School District includes thirteen member schools spread throughout Mahoning, Trumbull, Columbiana and Portage Counties.

The School District operates under a seven-member Board of Education and is responsible for the provision of public education to residents of the School District. The Board consists of the five members of the Mahoning County Educational Service Center Governing Board, representing the eleven local school districts, and one representative from each of the two city school districts, Struthers and Campbell. The Mahoning County Educational Service Center Governing Board cannot directly impose their will on the School District; therefore, the School District is a related organization of the Mahoning County Educational Service Center.

A. Reporting Entity

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

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

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

City of Canfield - The city government is a separate body politic and corporate. A mayor and council are elected independent of any School District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

Member School Districts - The School District accepts non-tuition students from each of the thirteen member school districts. Each of the member school districts are considered separate political subdivisions and are not considered to be a part of the School District.

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Canfield Branch of the Mahoning County Public Library - The library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. The School District does not serve as the taxing authority for the library.

The School District participates in certain organizations which are defined as jointly governed organizations and as public entity risk pools. The jointly governed organizations are presented in Note 14 to the combined financial statements and the public entity risk pools are presented in Note 17. These organizations are:

Area Cooperative Computerized Educational Service System/ACCESS Assembly
Mahoning Area Consortium Tech Prep
Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program
Ohio School Plan
Mahoning County Insurance Consortium
Ohio Schools Council

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements:

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

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements:

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The School District does not have proprietary funds.

Governmental Funds:

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

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

Building Fund - This fund was established pursuant to Section 5705.09, Ohio Revised Code, and is used to account for debt proceeds and other revenue to be used for the acquisition, construction, or improvement of capital facilities, including real property.

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

Fiduciary Fund Type:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student activities.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

C. Measurement Focus

Government-wide Financial Statements:

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

Fund Financial Statements:

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

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions:

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

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, and fees.

Deferred Revenue:

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures:

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

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

E. Budgetary Data

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

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

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

F. Cash and Cash Equivalents and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2009, investments were limited to repurchase agreements, mutual funds and securities issued by the Federal Home Loan Bank, United States Treasury Obligations, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and the State Treasury Assets Reserve (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2009.

Following Ohio statutes the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$768,628 which includes \$196,501 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District, and investments maturing within three months of fiscal year end are presented on the financial statements as cash equivalents. Investments with an original maturity of more than one year or maturing more than three months after fiscal year end are presented on the financial statements as investments.

G. Inventory

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 years
Buildings and Improvements	45 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	5 - 20 years

I. Deferred Charges

On government-wide financial statements, certificate issuance costs are deferred and amortized over the term of the certificates using the straight-line method since the results are not significantly different from the effective interest method. Certificate issuance costs are reported as an expenditure on the governmental fund financial statement when incurred.

J. Compensated Absences

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

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

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

K. Accrued Liabilities and Long-term Obligations

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

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

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports restricted net assets of \$23,009,974, none of which is restricted by

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enabling legislation. Net assets restricted for other purposes include operation of instructional services, food service operations and extracurricular activities.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The restriction for certificates of participation represents monies required to be restricted as part of the original financing agreement.

M. Fund Balance Reserves and Designations

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

The reserve for certificates of participation represents monies required to be set aside as part of the original financing agreement.

N. Interfund Activity

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2009, the School District received an additional \$149,984 in insurance proceeds for fire damage incurred in a previous fiscal year.

P. Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2009, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" and Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

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GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and STRS post-employment healthcare plans in the amount \$8,435 and \$5,113, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 49 establishes accounting and financial reporting requirements for pollution remediation obligations by requiring more timely and complete reporting of the obligations and by requiring all governments to account for pollution remediation obligations in the same manner. The implementation of GASB Statement No. 49 did not result in any changes to the District's financial statements.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets, which include easements, water rights, timber rights, patents, trademarks, and computer software, to reduce inconsistencies thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The implementation of GASB Statement No. 51 did not result in any changes to the District's financial statements.

GASB Statement No. 52 establishes consistent standards for the accounting and financial reporting of land and other real estate held as investments by endowments. It requires endowments to report land and other real estate investments at fair value, to report the changes in fair value as investment income, and to disclose the methods and significant assumptions used to determine fair value. The implementation of GASB Statement No. 52 did not result in any changes to the District's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of GASB Statement No. 55 did not result in any changes to the District's financial statements.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles, related party transactions, going concern considerations, and subsequent events. The implementation of GASB Statement No. 56 did not result in any changes to the District's financial statements.

Note 4 – Accountability

At June 30, 2009, the Food Service, Adult Basic Literacy and Vocational Education special revenue funds had deficit fund balances of \$21,448, \$6,007 and \$32,875, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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Note 5 - Budgetary Basis of Accounting

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

The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. The change in fair value of investments is not included on the budget basis operating statement, however, it is included on the GAAP basis operating statement.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

Net Change in Fund Balance	
GAAP Basis	\$837,896
Net Adjustment for Revenue Accruals	2,301,288
Beginning Fair Value Adjustment	75,655
Ending Fair Value Adjustment	(105,140)
Net Adjustment for Expenditure Accruals	(59,071)
Adjustment for Encumbrances	(270,593)
Budget Basis	<u><u>\$2,780,035</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

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

Cash on Hand At fiscal year-end, the School District had \$645 in Undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$472,181. As of June 30, 2009, all of the School District's bank balance of \$502,002 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in the single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

Investments As of June 30, 2009, the School District had the following investments and maturities:

	Fair Value	Maturity
Repurchase Agreements	\$2,250,000	Less than One Year
STAROhio	1,492,915	Less than One Year
Mutual Funds	1,444,611	Less than One Year
Federal Home Loan Bank Bonds	4,538,185	Less than One Year
Federal National Mortgage Association Bonds	3,853,705	Less than One Year
Federal Home Loan Mortgage Corporation Bonds	1,220,641	Less than One Year
U. S. Treasury Obligations	104,473	One to Three Years
Federal Home Loan Bank Bonds	7,781,084	One to Three Years
Federal Home Loan Mortgage Corporation Bonds	1,501,155	One to Three Years
Federal Home Loan Bank Bonds	1,800,000	Three to Five Years
Federal National Mortgage Association Bonds	200,000	Three to Five Years
Federal Home Loan Mortgage Corporation Bonds	500,005	Three to Five Years
Federal Home Loan Bank Bonds	750,000	More than Five Years*
Total Portfolio	\$27,436,774	

*Investment is matched to the District's Certificates of Participation.

Interest Rate Risk. The School District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of June 30, 2009, the School District's investments in Mutual Funds were not rated, STAROhio was rated AAAM, Repurchase Agreements, Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, and the U.S. Treasury Obligations were rated AAA by Standard and Poors and Aaa by Moody's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The underlying securities for the School District's repurchase agreements are held by The Federal Reserve Bank of Cleveland, Ohio, not in the name of the School District.

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Concentration of Credit Risk. The School District places no limit on the account it may invest in any one issuer. The following is the School District's allocation as of June 30, 2009:

<u>Investment</u>	<u>Percent of Total</u>
Federal Home Loan Bank	54.19%
Federal National Mortgage Association	14.77%
Federal Home Loan Mortgage Corporation	11.75%
Repurchase Agreements	8.20%
STAR Ohio	5.44%
Mutual Funds	5.27%
U. S. Treasury Obligations	0.38%
Total	<u>100.00%</u>

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Real property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008, and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2009 (other than public utility property) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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The School District receives property taxes from Mahoning, Trumbull, Portage, and Columbiana Counties. The Mahoning County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2009, was \$5,134 in the General Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$3,365,207,860	95.58 %	\$3,410,108,400	96.90 %
Public Utility Personal	97,815,170	2.78	100,685,410	2.86
Tangible Personal Property	57,662,177	1.64	8,341,717	0.24
Total	\$3,520,685,207	100.00 %	\$3,519,135,527	100.00 %
Tax rate per \$1,000 of assessed valuation	\$2.10		\$2.10	

Note 8 - Receivables

Receivables at June 30, 2009, consisted of accounts, accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. All receivables are expected to be collected within one year. At June 30, 2009, the School District had an intergovernmental receivable of \$7,012 in the Adult Basic Education special revenue fund for a federal grant, and \$435,696 in the General Fund for late homestead and rollback distributions.

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Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09
Governmental Activities:				
Capital assets not being depreciated				
Land	\$125,000	\$0	\$0	\$125,000
Construction in progress	7,195,173	8,722,607	0	15,917,780
Total capital assets not being depreciated	7,320,173	8,722,607	0	16,042,780
Capital assets being depreciated				
Land improvements	21,264	5,990	0	27,254
Buildings and improvements	7,467,563	0	0	7,467,563
Furniture, fixtures and equipment	5,331,905	329,926	0	5,661,831
Vehicles	614,656	7,063	0	621,719
Total capital assets being depreciated	13,435,388	342,979	0	13,778,367
Accumulated depreciation				
Land improvements	(7,702)	(685)	0	(8,387)
Buildings and improvements	(6,203,478)	(177,600)	0	(6,381,078)
Furniture, fixtures and equipment	(3,082,107)	(508,313)	0	(3,590,420)
Vehicles	(497,402)	(24,554)	0	(521,956)
Total accumulated depreciation	(9,790,689)	(711,152) *	0	(10,501,841)
Capital assets being depreciated, net	3,644,699	(368,173)	0	3,276,526
Governmental activities capital assets, net	\$10,964,872	\$8,354,434	\$0	\$19,319,306

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$27,175
Vocational	616,433
Adult/Continuing	9,117
Support Services:	
Pupil	4,149
Instructional Staff	14,561
Administration	7,487
Fiscal	370
Operation and Maintenance of Plant	16,140
Pupil Transportation	8,851
Operation of Food Services	6,869
Total Depreciation Expense	\$711,152

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Note 10 – Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded insurance coverage in the last three years. During fiscal year 2009, the School District contracted for the following insurance coverage:

Type of Coverage	Coverage
Coverage provided by Ohio School Plan:	
Property/Boiler and Machinery (\$1,000 deductible)	\$50,918,225
Extra Expense (\$1,000 deductible)	1,000,000
Aircraft (\$1,000 deductible)	265,225
Crime (\$1,000 deductible)	50,000
Fleet Insurance, single limit (\$250 deductible - comprehensive)	2,000,000
(\$1,000 deductible - busses)	
(\$500 deductible - collision)	
Coverage provided by The Ohio School Plan:	
General Liability	
in aggregate	\$4,000,000
Per occurrence	2,000,000

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

B. Workers' Compensation

For calendar year 2009, the School District participated in the Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17).

C. Employee Medical Benefits

The School District has contracted with the Mahoning County Insurance Consortium to provide employee medical/surgical benefits since 1982. The Mahoning County Insurance Consortium is a shared risk pool comprised of twelve Mahoning County school districts. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The School District pays medical/surgical premiums of \$831.34 for family coverage and \$196.90 for single coverage per employee per month.

Dental and prescription drug insurance are also provided through the Mahoning County Insurance Consortium. Premiums for dental coverage are \$37.10 monthly on a composite basis. Monthly premiums for prescription drug insurance are \$294.37 for family coverage and \$105.14 for single coverage. The plan utilizes a \$5 minimum and \$10 maximum for staff.

Vision coverage is provided through Vision Service Plan. Monthly premiums for vision coverage are \$27.48.

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Note 11 – Pension Plans

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 9.09 percent. The remaining 4.91 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$112,239, \$128,959, and \$171,125, respectively; 81.5 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency wholly controlled, managed and supported in whole, or in part, by the State or any political subdivision thereof.

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit”, the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years.

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The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6 percent for 32 years, 2.7 percent for 33 years and so on) until 100 percent of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5 percent instead of 2.2 percent. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5 percent are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying one percent of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by three percent of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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A Defined Benefit or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2009, were 10 percent of covered payroll for members and 14 percent for employers. The District's required contributions to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$617,187, \$617,053, and \$644,442, respectively; 88.6 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were not available at the time this report was released.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2008 *Comprehensive Annual Financial Report* were available after December 31, 2008.

Additional information or copies of STRS Ohio's 2008 *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 East Broad Street, Columbus, OH 43215-3371, or by calling toll free 1-888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS Ohio have an option to choose social security or the SERS or STRS Ohio. As of June 30, 2009, one board of education member has elected social security. The board's liability is 6.2 percent of wages paid.

Note 12 – Postemployment Benefits

A. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan for School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40, SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009, the actuarially required allocation is .75 percent. The District's contributions for the years ended June 30, 2009, 2008 and 2007 were \$9,261, \$6,617 and \$11,126, respectively, which equaled the required contributions each year.

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Health Care Plan – ORC Sections 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the fiscal year ended June 30, 2009, the health care allocation is 4.16 percent. An additional health care surcharge on employers is allocated for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the years ended June 30, 2009, 2008 and 2007 were \$78,802, \$41,906 and \$43,198, respectively; 81.5 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Funding Policy – Ohio law authorizes STRS Ohio to offer Health Care Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contribution for health care for the fiscal year ended June 30, 2009, 2008 and 2007 were \$47,476, \$47,466 and \$49,573 respectively; 88.6 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Note 13 – Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to two hundred sixty five days for classified employees and two hundred seventy five days for certified employees. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of sixty five days for classified employees and sixty eight days for certified employees. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is \$30,000 per classified employee and \$50,000 per certified and administrative employee. Life insurance is provided through the Metropolitan Educational Insurance Company.

Note 14 – Jointly Governed Organizations

A. Area Cooperative Computerized Educational Service System/ACCESS Assembly

The Area Cooperative Computerized Educational Service System/ACCESS Assembly (ACCESS) is a consortium of twenty-six school districts in Mahoning and Columbiana Counties, two educational service centers, twenty non-public schools and two Special Education Regional Resource Centers.

The jointly governed organization was formed for the purpose of utilizing computers and other electronic equipment for administrative and instructional functions among member districts. These include educational management information system services, fiscal services, library services, network services and student services.

Mahoning County Career & Technical Center

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

ACCESS is governed by an Assembly, which makes all decisions regarding programs, fees, budget and policy. The Assembly is composed of the Superintendent of each of the member districts. Assembly members may designate proxy attendees at meetings for voting purposes. The Assembly meets twice per year, once in November and once in May. Budgets and fees are discussed at the fall meeting, while the Board of Directors are chosen at the spring meeting.

While the Assembly has overall governance for ACCESS, the Board of Directors is selected to make the majority of the day to day operational decisions. Everything from equipment purchases, contracts, personnel action and financial oversight is handled by the Board. The Board is made up of two superintendents each from both Mahoning and Columbiana counties, and the superintendents from both the Mahoning County and Columbiana County Educational Service Centers. The ACCESS Executive Director and the Treasurer are also part of the Board of Directors, but are non-voting members.

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. The School District paid \$13,269 to ACCESS during fiscal year 2009. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, who serves as fiscal agent, at 100 DeBartolo Place, Suite 220, Youngstown, Ohio, 44512.

B. Mahoning Area Consortium (MAC) Tech Prep

The MAC Tech Prep works with eighteen area high schools and Youngstown State University to create seamless college prep career-technical education programs that begin in the junior year of high school and continue through an associate or bachelor's degree program. College Tech Prep programs stress mathematics, science, communications, and technology.

All of the consortium revenues are from state and federal grants. The consortium is governed by an executive committee consisting of the superintendents of the school districts, the President or designee of Youngstown State University and representatives of business or industry. The committee exercises total control over the operation of the Consortium, including budgeting, appropriating, contracting and designating management.

C. Ohio Schools Council

The Ohio Schools Council ("the Council") is a jointly governed organization among many school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to member districts. The Council's Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information for the Council can be obtained by contacting the Executive Secretary of the Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

In fiscal year 2009, the District participated in the Council's electric energy program. This program allows school districts to purchase electricity at reduced rates. The participants make monthly payments based on estimated usage. At the end of the fiscal year, these estimated monthly payments are compared to their actual usage and any necessary adjustments are made.

The School District does not retain an ongoing financial interest or an ongoing financial responsibility in any of these organizations.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 15 – Long-Term Obligations

The changes in the School District's long-term obligations during the fiscal year ended June 30, 2009, were as follows:

	Principal Outstanding 6/30/08	Additions	Deductions	Principal Outstanding 6/30/09	Amounts due in One Year
<i>Certificates of Participation:</i>					
11/13/08 Certificates of Participation	\$0	\$10,000,000	\$0	\$10,000,000	\$85,000
Discount on Certificates of Participation	0	(209,984)	(7,777)	(202,207)	0
Subtotal	<u>0</u>	<u>9,790,016</u>	<u>(7,777)</u>	<u>9,797,793</u>	<u>85,000</u>
1/13/09 Certificates of Participation	0	5,300,000	0	5,300,000	140,000
Discount on Certificates of Participation	0	(94,351)	(3,495)	(90,856)	0
Subtotal	<u>0</u>	<u>5,205,649</u>	<u>(3,495)</u>	<u>5,209,144</u>	<u>140,000</u>
<i>Total Certificates of Participation</i>	0	14,995,665	(11,272)	15,006,937	225,000
<i>Other Long-Term Obligations:</i>					
Compensated Absences	1,100,441	82,283	(60,248)	1,122,476	55,447
<i>Total Long-Term Obligations</i>	<u>\$1,100,441</u>	<u>\$15,077,948</u>	<u>(\$71,520)</u>	<u>\$16,129,413</u>	<u>\$280,447</u>

During fiscal year 2009 the District entered two lease agreements, the facilities lease and the ground lease, with the Ohio School Building Leasing Corporation, as lessor, for the purpose of constructing, furnishing, improving, equipping, lease and eventual acquisition, of additions, renovations and other improvements to the Career Center Building and related site improvements. The Ohio School Building Leasing Corporation in turn entered into an agreement with The Huntington National Bank, as Trustee, through which it assigned and transferred its rights, title, and interest under the leases to The Huntington National Bank. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semiannual lease payments. The Certificates of Participation will be repaid over 28 years with principal payment beginning in fiscal year 2010.

Pursuant to Section 133.06 of the Ohio Revised Code, the obligations of these lease-purchase agreements will not be construed as net indebtedness of the District.

Compensated absences will be paid from the general fund and the food service, adult education, adult basic education and vocational education special revenue funds.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The School District's overall legal debt margin was \$316,722,197 with an unvoted debt margin of \$3,519,136 at June 30, 2009. Principal and interest requirements to retire the certificates of participation outstanding at June 30, 2009, are as follows:

Fiscal year Ending June 30,	11/13/2008 Certificate of Participation		1/13/2009 Certificate of Participation	
	Principal	Interest	Principal	Interest
2010	\$85,000	\$586,366	\$140,000	\$298,562
2011	90,000	583,412	150,000	294,025
2012	90,000	579,981	160,000	288,788
2013	95,000	575,931	155,000	283,081
2014	100,000	571,419	190,000	276,374
2015-2019	590,000	2,772,943	1,045,000	1,251,414
2020-2024	2,255,000	2,364,169	215,000	1,107,337
2025-2029	1,995,000	1,766,454	875,000	937,125
2030-2034	2,675,000	1,070,782	1,180,000	611,549
2035-2037	2,025,000	194,531	1,190,000	141,751
<i>Total</i>	<u>\$10,000,000</u>	<u>\$11,065,988</u>	<u>\$5,300,000</u>	<u>\$5,490,006</u>

Note 16 - Contingencies

A. Grants:

The School District receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

B. Litigation:

The District is not party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2009.

Note 17 – Public Entity Risk Pools

A. Insurance Purchasing Pool

The School District participates in the Ohio Association of School Business Officials Ohio Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program. Sheakley UniService, Inc. is the third party administrator for the program.

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

B. Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a ten member Board of directors consisting of school district superintendents and treasurers. Hylant Administrative Services, Inc. is the Administrator of the OSP and is responsible for processing claims.

C. Shared Risk Pool

The Mahoning County Insurance Consortium is a shared risk pool comprised of twelve Mahoning County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services.

Note 18 – Interfund Activity

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During fiscal year 2009 the General Fund transferred a total of \$1,784,008 to other funds. \$1,700,000 was transferred to the Building capital projects fund and \$84,008 was transferred to other nonmajor governmental funds for these purposes.

Interfund Advances

During fiscal year 2009, the District did not make any inter-fund advances; therefore there is no "interfund receivable/payable" to record on the face of the financial statements.

Note 19 – Set Asides

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

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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

	Textbooks	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2008	(\$8,567,463)	\$0
Current Year Set-Aside Requirement	110,720	110,720
Qualifying Disbursements	(932,126)	(172,191)
Current year offsets	0	(17,000,000)
Total	(\$9,388,869)	(\$17,061,471)
Set-Aside Balance Carried Forward to Future Fiscal Years	(\$9,388,869)	\$0
Cash balance as of June 30, 2009	\$0	\$0

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

Note 20 – Contractual Commitments

As of June 30, 2009, the District had contractual commitments for the following projects:

	Contractual Commitments	Expended	Balance 6/30/2009
<i>Phase II Construction:</i>			
Hummel Construction	\$4,090,369	\$4,042,626	\$47,743
Tri-Area	919,050	906,446	12,604
Antenucci, Inc.	703,879	668,653	35,226
S.A. Comunale Co., Inc.	590,249	352,733	237,516
Ellyson Plumbing & Heating	235,315	228,971	6,344
<i>Phase III Construction:</i>			
DSV Builders Inc.	4,136,690	673,566	3,463,124
Geller Electric	1,604,865	424,017	1,180,848
Balog, Steines, Hendricks & Manchester	1,091,204	469,805	621,399
Regency Construction	1,024,645	577,634	447,011
York Mahoning Mechanical	899,400	46,492	852,908
Ellyson Plumbing & Heating	473,193	146,514	326,679
Fire F.O.E. Corp.	149,450	0	149,450
Totals	\$15,918,309	\$8,537,457	\$7,380,852

Mahoning County Career & Technical Center
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 21 – New Accounting Standards

In November of 2007, the GASB issued Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments.” This Statement establishes accounting and financial reporting standards for all state and local governments that enter into derivative instruments as defined in this Statement. Statement No. 53 will not be effective for the District until fiscal year 2011 and, as such, the District has not determined the impact, if any, that this statement will have on its financial statements.

In February of 2009, the GASB issued Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. The objective of this Statement is to improve the usefulness, including the understandability, of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting. Statement No. 54 will not be effective for the District until fiscal year 2011.

Note 22 – Subsequent Event

On October 15, 2009, the District refunded its outstanding certificates of participation in the amount of \$15,300,000, at a savings amount of \$3,357,956. The par amount of the new certificates of participation issued is \$16,360,000 and included an original issue discount of \$238,037.

**MAHONING COUNTY CAREER AND TECHNICAL CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Cash Receipts	Non Cash Receipts	Cash Disburse- ments	Non Cash Disburse- ments
U.S. Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
Child Nutrition Cluster:						
National School Lunch Program	10.555	051243-LLP4-2009	\$ 83,906	\$ 7,343	\$ 83,906	\$ 5,635
School Breakfast Program	10.553	051243-05PU-2009	<u>36,129</u>	<u>0</u>	<u>36,129</u>	<u>0</u>
Total Child Nutrition Cluster			<u>120,035</u>	<u>7,343</u>	<u>120,035</u>	<u>5,635</u>
Total U.S. Department of Agriculture			<u>120,035</u>	<u>7,343</u>	<u>120,035</u>	<u>5,635</u>
U.S. Department of Education						
Student Financial Assistance Programs Cluster						
Federal Pell Grant Program	84.063		<u>31,812</u>	<u>0</u>	<u>31,812</u>	<u>0</u>
<i>Passed through Ohio Department of Education</i>						
Safe and Drug Free Schools and Communities - State Grants	84.186	051243-DRS1-2008	<u>1,043</u>	<u>0</u>	<u>1,043</u>	<u>0</u>
State Grants for Innovative Programs	84.298	051243-C2S1-2008	<u>382</u>	<u>0</u>	<u>382</u>	<u>0</u>
Improving Teacher Quality	84.367	051243-TRS1-2008	<u>1,484</u>	<u>0</u>	<u>1,484</u>	<u>0</u>
Adult Education-State Grant Program	84.002	051243-ABS1-2008	2,236	0	2,236	0
Adult Education-State Grant Program	84.002	051243-ABS1-2009	<u>212,828</u>	<u>0</u>	<u>212,828</u>	<u>0</u>
Total Adult Education-State Grant Program - CFDA #84.002			<u>215,064</u>	<u>0</u>	<u>215,064</u>	<u>0</u>
Vocational Education Basic Grants to States	84.048	051243-20C1-2009	<u>336,431</u>	<u>0</u>	<u>336,431</u>	<u>0</u>
Total U.S. Department of Education			<u>586,216</u>	<u>0</u>	<u>586,216</u>	<u>0</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 706,251</u>	<u>\$ 7,343</u>	<u>\$ 706,251</u>	<u>\$ 5,635</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**MAHONING COUNTY CAREER AND TECHNICAL CENTER
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mahoning County Career and Technical Center and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2: NONCASH SUPPORT

The District receives noncash support in the form of food subsidies from the National School Lunch Program (NSLP), CFDA #10.555. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

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**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**

Board of Education
Mahoning County Career and Technical Center
Canfield, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mahoning County Career and Technical Center, Mahoning County, Ohio, as of and for the year ended June 30, 2009, which collectively comprise the Mahoning County Career and Technical Center, Ohio's basic financial statements and have issued our report thereon dated October 12, 2009. 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 the Mahoning County Career and Technical Center, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mahoning County Career and Technical Center, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mahoning County Career and Technical Center, Ohio'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 Mahoning County Career and Technical Center, Ohio'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 Mahoning County Career and Technical Center, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the Mahoning County Career and Technical Center, Ohio'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 Mahoning County Career and Technical Center, Ohio's internal control.

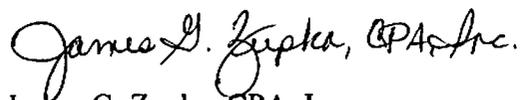
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies 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 the Mahoning County Career and Technical Center, Ohio'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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Mahoning County Career and Technical Center, Ohio, in a separate letter dated October 12, 2009.

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


James G. Zupka, CPA, Inc.
Certified Public Accountants

October 12, 2009

JAMES G. ZUPKA, C.P.A., INC.

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

Board of Education
Mahoning County Career and Technical Center
Canfield, Ohio

Compliance

We have audited the compliance of the Mahoning County Career and Technical Center, Mahoning County, Ohio, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Mahoning County Career and Technical Center, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs are the responsibility of the Mahoning County Career and Technical Center, Ohio's management. Our responsibility is to express an opinion on the Mahoning County Career and Technical Center, Ohio's compliance based on our audit.

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

In our opinion, the Mahoning County Career and Technical Center, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Mahoning County Career and Technical Center, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Mahoning County Career and Technical Center, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mahoning County Career and Technical Center, Ohio's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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


James G. Zupka, CPA, Inc.
Certified Public Accountant

October 12, 2009

**MAHONING COUNTY CAREER AND TECHNICAL CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & §.505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

2009(i)	Type of Financial Statement Opinion	Unqualified
2009(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2009(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2009(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2009(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2009(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2009(v)	Type of Major Programs' Compliance Opinions	Unqualified
2009(vi)	Are there any reportable findings under .510?	No
2009(vii)	Major Programs (list): <div style="margin-left: 40px;">Vocational Education - Basic Grants to State - CFDA #84.048 Adult Education - State Grant Program - CFDA #84.002</div>	
2009(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 or more Type B: All others less than \$300,000
2009(ix)	Low Risk Auditee?	No

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

None.

3.. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**MAHONING COUNTY CAREER AND TECHNICAL CENTER
STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2009**

The prior audit report, as of June 30, 2008, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

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Ohio Society of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Mahoning County Career and Technical Center
Mahoning County
7300 North Palmyra Road
Canfield, Ohio 44406

To the Board of Education:

Ohio Revised Code Section 117.53 states, "the Auditor of State shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The Auditor of State shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Mahoning County Career and Technical Center (the Center), Mahoning County, Ohio, has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted that the Board adopted an anti-harassment policy at its meeting on December 7, 2007.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - a) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - b) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - c) A procedure for reporting prohibited incidents;
 - d) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - e) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974", 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - f) A procedure for documenting any prohibited incident that is reported;
 - g) A procedure for responding to and investigating any reported incident;
 - h) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - i) A disciplinary procedures for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
 - j) A requirement that the District Administration semi-annually provide the President of the District Board a written summary of all reported incidents and post the summary on its web site, if the District has a web site, to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974", 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.



James G. Zupka, CPA, Inc.
Certified Public Accountants

October 12, 2009



Mary Taylor, CPA
Auditor of State

CAREER AND TECHNICAL CENTER

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 17, 2009**