



Mary Taylor, CPA
Auditor of State

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	15
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – (Non GAAP Budgetary Basis) - General Fund.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – (Non GAAP Budgetary Basis) – Adult Education Fund.....	20
Statement of Net Assets – Proprietary Funds.....	21
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds.....	22
Statement of Cash Flows – Proprietary Funds	23
Statement of Fiduciary Net Assets - Fiduciary Funds.....	24
Notes to the Basic Financial Statements	25
Schedule of Federal Awards Receipts and Expenditures.....	51
Notes to the Schedule of Federal Awards Receipts and Expenditures	52
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	53
Independent Accountants' Report On Compliance With Requirements Applicable to Major Federal Programs and on Internal Control Over Compliance In Accordance With OMB Circular A-133	55
Schedule of Findings.....	57
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	59

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, (the Career Center), as of and for the year ended June 30, 2009, which collectively comprise the Career Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Career Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Adult Education Funds 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 November 5, 2009, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

November 5, 2009

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

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

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets increased \$377,040. Net assets of governmental activities increased \$431,932, which represents a 4.78 percent increase from 2008. Net assets of business-type activities decreased \$54,892 or 12.61 percent from 2008.
- For governmental activities general revenues accounted for \$6,993,490 in revenue or 76.00 percent of all revenues. Program specific revenues for governmental activities in the form of charges for services and sales, grants and contributions accounted for \$2,208,164 or 24.00 percent of total revenues of \$9,201,654.
- The Career Center had \$8,739,722 in expenses related to governmental activities; only \$2,208,164 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$6,993,490 were adequate to provide for these programs.
- The Career Center had \$596,204 in expenses related to business-type activities; \$511,312 of these expenses was offset by program specific charges for services and grants and contributions. Transfers supporting business-type activities of \$30,000 were not adequate to support these programs.
- The Career Center's major governmental funds are the general fund, adult education fund, permanent improvement fund and capital projects fund. The general fund had \$7,358,739 in revenues and \$7,205,831 in expenditures and other financing uses. The general fund balance increased \$152,908 from \$2,071,125 to \$2,224,033.
- The adult education fund had \$903,424 in revenues and other financing sources and \$833,826 in expenditures. The adult education fund balance increased \$69,598 from \$259,265 to \$328,863.
- The permanent improvement fund had \$550,602 in revenues and other financing sources and \$551,056 in expenditures. The permanent improvement fund balance decreased \$454 from \$770,342 to \$769,888.
- The capital projects fund had \$450,000 in other financing sources and no expenditures. The capital projects fund balance increased from \$2,612,760 to \$3,062,760.

Using the Basic Financial Statements (BFS)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Career Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The statement of net assets and statement of activities provide information about the activities of the whole Career Center, presenting both an aggregate view of the Career Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

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 Career Center's most significant funds with all other non-major funds presented in total in one column. In the case of the Career Center, the general fund, adult education fund, permanent improvement fund and capital projects fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the Career Center as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the Career Center is divided into two distinct kinds of activities:

Governmental activities - Most of the Career Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-type activities - These services are provided on charges for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Career Center's rotary, food service and uniform school supplies programs are reported as business activities.

The Career Center's statement of net assets and statement of activities can be found on pages 13-14 of this report.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

The analysis of the Career Center's major governmental funds begins on page 9. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, adult education fund, permanent improvement fund and capital projects fund.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

Governmental Funds - Most of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary Funds - Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the Career Center as a whole. The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in agency funds. All of the Career Center's fiduciary activities are reported in a separate statement of fiduciary net assets on page 24. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-49 of this report.

The Career Center as a Whole

Recall that the statement of net assets provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net assets for 2009 and 2008.

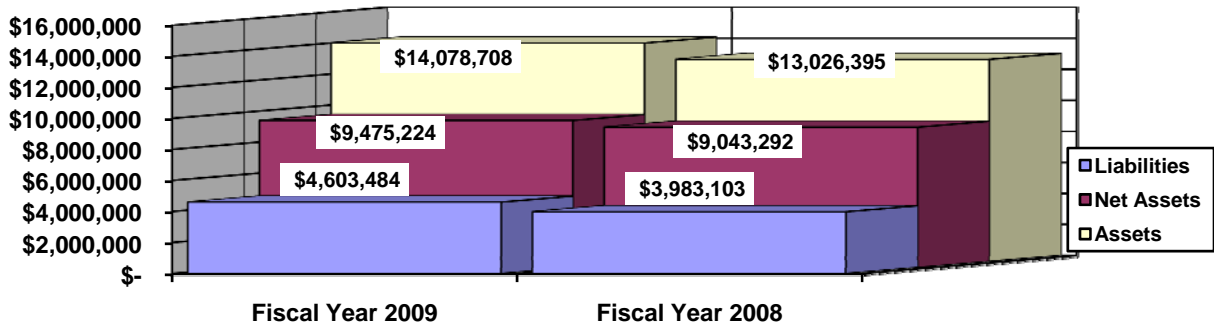
	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current assets	\$10,610,845	\$9,446,277	\$345,795	\$390,601	\$10,956,640	\$9,836,878
Capital assets	3,467,863	3,580,118	55,778	64,465	3,523,641	3,644,583
Total Assets	14,078,708	13,026,395	401,573	455,066	14,480,281	13,481,461
Liabilities:						
Current liabilities	3,953,278	3,293,948	21,239	19,840	3,974,526	3,313,788
Long-term liabilities	650,197	689,155			650,197	689,155
Total Liabilities	4,603,484	3,983,103	21,239	19,840	4,624,723	4,002,943
Net Assets:						
Invested in capital assets:						
Net of related debt	3,321,640	3,409,971	55,778	64,465	3,377,418	3,474,436
Restricted	1,140,086	830,769			1,140,086	830,769
Unrestricted	5,103,498	4,802,552	324,556	370,761	5,338,054	5,173,313
Total Net Assets	\$ 9,475,224	\$9,043,292	\$380,334	\$435,226	\$9,855,558	\$9,478,518

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

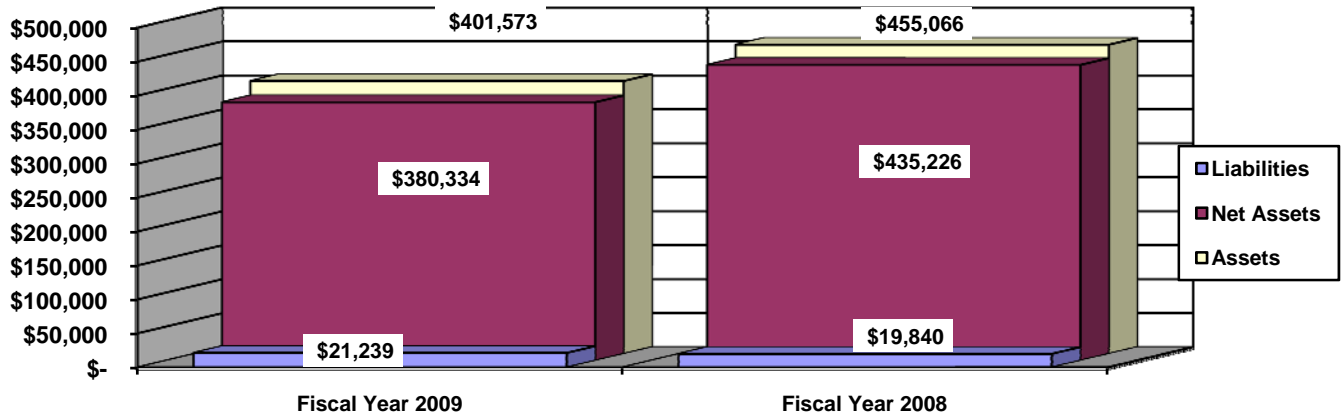
The table below provides a summary of the Career Center's governmental net assets for 2009 and 2008:

Governmental - Net Assets



The table below provides a summary of the Career Center's business-type net assets for 2009 and 2008:

Business-Type - Net Assets



The table below shows the change in net assets for fiscal year 2009 and 2008.

	Change in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services and sales	\$1,159,939	\$ 774,995	\$451,751	\$476,478	\$1,611,690	\$1,251,473
Operating grants and contribution	1,048,225	1,056,292	59,561	51,880	1,107,786	1,108,172
General Revenues:						
Property taxes	2,701,623	2,834,571			2,701,623	2,834,571
Grants and entitlements	4,055,270	3,606,590			4,055,270	3,606,590
Investment earnings	216,101	259,273		375	216,101	259,648
Other	20,496	3,841			20,496	3,841
Total Revenues	\$9,201,654	\$8,535,562	\$511,312	\$528,733	\$9,712,966	\$9,064,295

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

During 2009, the Career Center classified all expenditures previously classified as regular instruction to vocational instruction. The 2008 regular instruction expenditures have been reclassified to vocational instruction for comparison.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Expenses:						
Program Expenses:						
Instruction:						
Vocational	\$4,992,566	\$4,321,281			\$4,992,566	\$4,321,281
Adult Education	781,751	691,628			781,751	691,628
Support Services:						
Pupil	466,914	370,847			466,914	370,847
Instructional Staff	248,901	207,720			248,901	207,720
Board of Education	84,757	61,106			84,757	61,106
Administration	582,818	567,946			582,818	567,946
Fiscal	361,657	308,875			361,657	308,875
Operations and Maintenance	647,539	573,714			647,539	573,714
Pupil Transportation	10,440	7,058			10,440	7,058
Central	497,441	488,485			497,441	488,485
Operation of Non-instructional Services	11,710	37,826			11,710	37,826
Extracurricular Activities	26,550	35,500			26,550	35,500
Interest and Fiscal Charges	26,678	23,190			26,678	23,190
Rotary			\$345,440	\$274,734	345,440	274,734
Food Service Operations			250,764	222,304	250,764	222,304
Uniform School Supplies				53,941		53,941
Total Expenses	8,739,722	7,695,276	596,204	550,979	9,335,926	8,246,155
Transfers	(30,000)	(30,000)	30,000	30,000		
Changes in Net Assets	431,932	810,386	(54,892)	7,754	377,040	818,140
Net Assets at beginning of year	9,043,292	8,232,906	435,226	427,472	9,478,518	8,660,378
Net Assets at end of year	\$9,475,224	\$9,043,292	\$380,334	\$435,226	\$9,855,558	\$9,478,518

Governmental Activities

Net assets of the Career Center's governmental activities increased \$431,932. Total governmental expenses of \$8,739,722 were offset by program revenues of \$2,208,164 and general revenues of \$6,993,490. Program revenues supported 25.27 percent of the total governmental expenses.

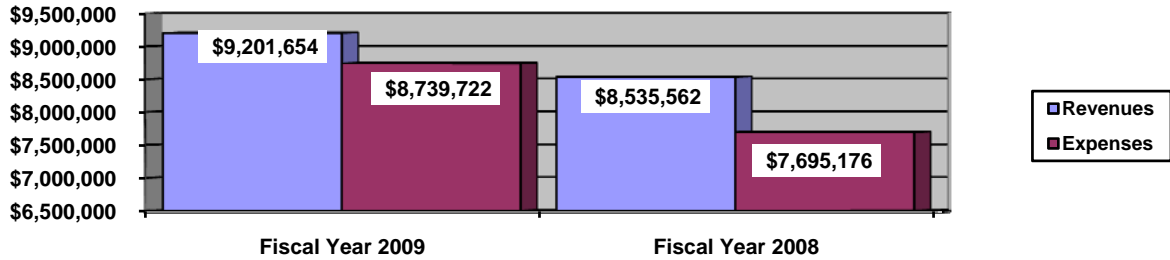
The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These two revenue sources represent 73.43 percent of total governmental revenue. Real estate property is reappraised every six years.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

The graph below presents the Career Center's governmental activities revenue and expenses for fiscal years 2009 and 2008.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2009 and 2008. It identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities				
	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Program expenses:				
Instruction:				
Vocational	\$4,992,566	\$3,916,655	\$4,321,281	\$3,520,422
Adult education	781,751	10,880	691,628	11,447
Support services:				
Pupil	466,914	304,987	370,847	204,356
Instructional staff	248,901	162,010	207,720	129,035
Board of Education	84,757	84,757	61,106	61,106
Administration	582,818	486,666	567,946	474,825
Fiscal	361,657	361,657	308,875	308,875
Operations and maintenance	647,539	646,914	573,714	573,369
Pupil transportation	10,440	10,440	7,058	7,058
Central	497,441	486,067	488,485	477,319
Operation of non-instructional services	11,710	11,710	37,826	37,453
Extracurricular activities	26,550	22,137	35,500	35,434
Interest and fiscal charges	26,678	26,678	23,190	23,190
Total expenses	\$8,739,722	\$6,531,558	\$7,695,176	\$5,863,889

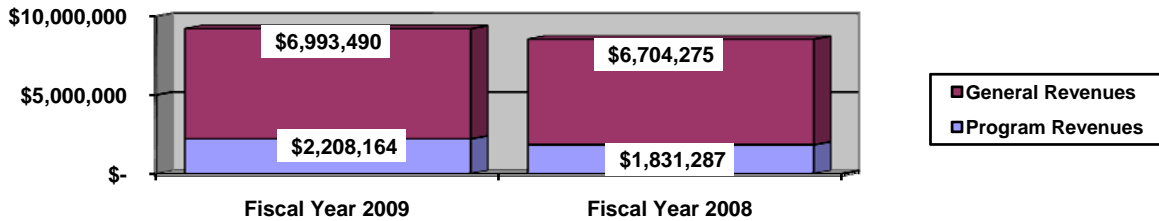
The dependence upon tax revenues during fiscal year 2009 for governmental activities is apparent, as 68.02 percent of 2009 instruction activities are supported through taxes and other general revenues. All governmental activities general revenue support was 74.73 percent in 2009.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

The graph below presents the Career Center's governmental activities revenue for fiscal years 2009 and 2008.

Governmental Activities - General and Program Revenues



Business-Type Activities

The rotary, food services and uniform school supplies programs provides the business-type activities. These programs had revenues of \$511,312 and expenses of \$596,204 for fiscal year 2009. The Career Center's business activities receive no support from tax revenues.

The Career Center's Funds

The Career Center's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$6,407,337, which is higher than last year's total of \$5,735,122. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	Fund Balance June 30, 2009	Fund Balance June 30, 2008	Increase (Decrease)
General	\$2,224,033	\$2,071,125	\$152,908
Adult Education	328,863	259,265	69,598
Permanent Improvement	769,888	770,342	(454)
Capital Projects	3,062,760	2,612,760	450,000
Other Governmental	21,793	21,630	163
Total	\$6,407,337	\$5,735,122	\$672,215

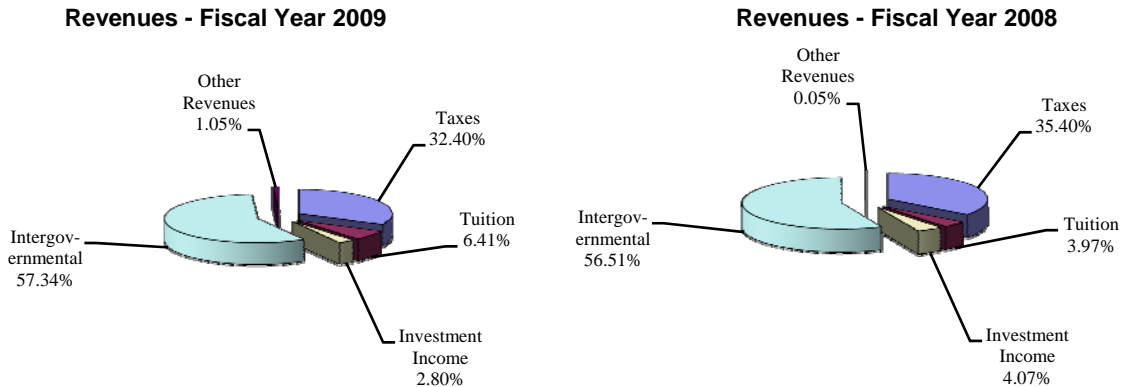
General Fund - The Career Center's general fund balance increased \$152,908. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2009 Amount	2008 Amount	Percentage Change
Revenues			
Taxes	\$2,384,258	\$2,370,753	0.57 %
Tuition	471,706	265,973	77.35 %
Interest earnings	206,303	272,231	(24.22) %
Intergovernmental	4,219,462	3,784,797	11.48 %
Other revenues	77,010	3,467	2,121.23 %
Total	\$7,358,739	\$6,697,221	9.88 %

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

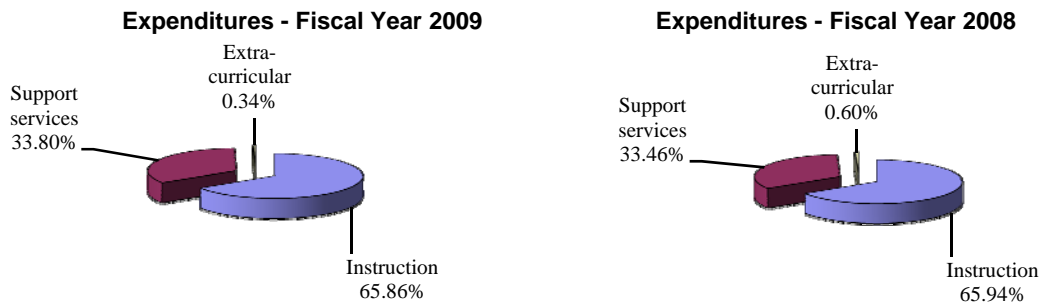
Tuition revenue increased 77.35 percent due to an increase in career tech programs offered through the Career Center. Interest earnings decreased 24.22 percent due to decreasing interest rates during the year. Other revenues increased \$73,543 as a result of an increase in classroom materials and supplies revenues.



The table that follows assists in illustrating the expenditures of the general fund.

Expenditures	2009	2008	Percentage Change
	Amount	Amount	
Instruction	\$ 4,373,714	\$ 3,847,712	13.67 %
Support services	2,244,637	1,952,643	14.95 %
Extracurricular activities	22,480	35,235	(36.20) %
Total	<u>\$ 6,640,831</u>	<u>\$ 5,835,590</u>	13.80 %

Increased expenditures in instruction and support services were related to the increase in career tech programs offered through the Career Center. All other expenditures were comparable to the prior year.



Adult Education Fund - The adult education fund had \$903,424 in revenues and other financing sources and \$833,826 in expenditures. The adult education fund balance increased \$69,598 from \$259,265 to \$328,863.

Permanent Improvement Fund - The permanent improvement fund had \$550,602 in revenues and other financing sources and \$551,056 in expenditures. The permanent improvement fund balance decreased \$454 from \$770,342 to \$769,888.

Capital Projects Fund - The capital projects fund had \$450,000 in other financing sources and no expenditures. The capital projects fund balance increased from \$2,612,760 to \$3,062,760.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

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

During the course of fiscal 2009, the Career Center amended its general fund budget numerous times, none significant. The Career Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$97,307 lower than original budget estimates of \$7,552,227. Actual revenues and other financing sources were \$7,485,329 this was \$30,409 higher than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) of \$6,867,068 were increased to \$7,360,143 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2009 totaled \$7,226,119 which was \$134,024 less than the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets - At the end of fiscal 2009, the Career Center had \$3,523,641 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. \$3,467,863 was reported in governmental activities and \$55,778 in business-type activities. The following table shows fiscal 2009 balances compared to 2008:

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 40,000	\$ 40,000			\$ 40,000	\$ 40,000
Land improvements	32,234	42,526			32,234	42,526
Building and improvements	2,076,969	2,198,788			2,076,969	2,198,788
Furniture and equipment	1,218,785	1,195,592	\$55,778	\$64,465	1,274,563	1,260,057
Vehicles	99,875	103,212			99,875	103,212
Total	\$3,467,863	\$3,580,118	\$55,778	\$64,465	\$3,523,641	\$3,644,583

See Note 8 to the basic financial statements for additional information on the Career Center's capital assets.

Debt Administration- At June 30, 2009 the Career Center had \$146,759 in capital lease obligations outstanding. Of this total, \$36,501 is due within one year and \$110,258 is due within greater than one year. The following table summarizes the lease obligations outstanding.

	Governmental Activities	
	2009	2008
	Capital Lease obligations	\$146,759
Total	\$146,759	\$170,840

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

At June 30, 2009 the Career Center's overall legal debt margin was \$90,119,419 with an unvoted debt margin of \$1,001,271.

See Note 10 to the basic financial statements for additional information on the Career Center's debt administration.

Current Financial Related Activity

The Vantage Career Center is committed to maintaining the highest standards of education and service to our students, parents, and community.

Our Board of Education and administration closely monitor the financial outlook of the Career Center by forecasting. By utilizing this tool, the Career Center has been able to avoid financial difficulty.

The Career Center's enrollment was stable for fiscal year 2009 and it appears fiscal year 2010 is going to remain the same. But as the Career Center looks to the future, we could see an enrollment decrease due to the associate schools' enrollment declining. The Board of Education and administration are actively looking at marketing strategies that will keep our enrollment increasing. Starting with the fiscal year 2009, the Career Center collaborated with three of our associate schools on their career tech programs. This has generated more revenues for the Career Center. Starting in fiscal year 2010, the Career Center has collaborated with another associate school for career tech services. At this time, the State of Ohio is guaranteeing the Career Center's funding to be the same as fiscal year 2009 with a possible increase of 0.75 percent. In the midst of the depressed economy, this is good news for the Career Center.

On November 3, 2009 the voters of the district approved a 1.05 mill bond issue to fund an Ohio School Facilities Commission project. The total project is estimated to be \$34,123,417.00 to be split between the Ohio School Facilities Commission and Vantage Career Center. The Ohio School Facilities Commission will fund \$16,254,417.00 of the project leaving \$17,869,000.00 to be funded by Vantage Career Center. Once completed, Vantage Career Center's facility will be expanded by 71,000 square feet of new academic and vocational educational space and the existing 123,000 square feet of space will be renovated.

In closing, the financial outlook for the Career Center at this time is stable. The Board of Education and administration will work diligently to maintain the stability of the Career Center.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Lori Davis, Treasurer, Vantage Career Center, 818 North Franklin Street, Van Wert, Ohio 45891.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and investments	\$6,895,574	\$377,087	\$7,272,661
Receivables:			
Taxes	3,535,647		3,535,647
Accrued interest	19,161		19,161
Internal balance	120,000	(120,000)	
Prepayments	40,263		40,263
Materials and supplies inventory		88,708	88,708
Loans receivable	200		200
Capital assets:			
Land	40,000		40,000
Construction in progress			
Depreciable capital assets, net	3,427,863	55,778	3,483,641
Capital assets, net	<u>3,467,863</u>	<u>55,778</u>	<u>3,523,641</u>
Total assets	<u>14,078,708</u>	<u>401,573</u>	<u>14,480,281</u>
Liabilities:			
Accounts payable	13,676		13,676
Accrued wages and benefits	717,275	12,476	729,751
Pension obligation payable	104,752	8,268	113,020
Intergovernmental payable	23,343	495	23,838
Unearned revenue	3,094,241		3,094,241
Long-term liabilities:			
Due within one year	105,571		105,571
Due within more than one year	544,626		544,626
Total Liabilities	<u>4,603,484</u>	<u>21,239</u>	<u>4,624,723</u>
Net Assets:			
Invested in capital assets, net of related debt	3,321,640	55,778	3,377,418
Restricted for:			
Capital projects	802,865		802,865
State funded programs	3,473		3,473
Federally funded programs	8,694		8,694
Adult education	294,324		294,324
Other purposes	30,730		30,730
Unrestricted	5,013,498	324,556	5,338,054
Total net assets	<u>\$9,475,224</u>	<u>\$380,334</u>	<u>\$9,855,558</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:						
Instruction:						
Vocational	\$4,992,566	\$527,595	\$548,316	(\$3,916,655)		(\$3,916,655)
Adult education	781,751	542,318	228,553	(10,880)		(10,880)
Support services:						
Pupil	466,914		161,927	(304,987)		(304,987)
Instructional staff	248,901	5,312	81,579	(162,010)		(162,010)
Board of education	84,757			(84,757)		(84,757)
Administration	582,818	72,391	23,761	(486,666)		(486,666)
Fiscal	361,657			(361,657)		(361,657)
Operations and maintenance	647,539	625		(646,914)		(646,914)
Pupil transportation	10,440			(10,440)		(10,440)
Central	497,441	7,285	4,089	(486,067)		(486,067)
Other non-instructional services	11,710			(11,710)		(11,710)
Extracurricular activities	26,550	4,413		(22,137)		(22,137)
Interest and fiscal charges	26,678			(26,678)		(26,678)
Total governmental activities	<u>8,739,722</u>	<u>1,159,939</u>	<u>1,048,225</u>	<u>(6,531,558)</u>		<u>(6,531,558)</u>
Business-type activities:						
Rotary	345,440	303,964			(\$41,476)	(41,476)
Food service	250,764	136,114	59,561		(55,089)	(55,089)
Uniform school supplies		11,673			11,673	11,673
Total business-type activities	<u>596,204</u>	<u>451,751</u>	<u>59,561</u>		<u>(84,892)</u>	<u>(84,892)</u>
Totals	<u>\$9,335,926</u>	<u>\$1,611,690</u>	<u>\$1,107,786</u>	<u>(6,531,558)</u>	<u>(84,892)</u>	<u>(6,616,450)</u>
General Revenues:						
Property taxes levied for:						
General purposes				2,283,070		2,283,070
Capital projects				418,553		418,553
Grants and entitlements not restricted to specific programs				4,055,270		4,055,270
Investment earnings				216,101		216,101
Miscellaneous				20,496		20,496
Total general revenues				<u>6,993,490</u>		<u>6,993,490</u>
Transfers				(30,000)	30,000	
Total general revenues and transfers				<u>6,963,490</u>	<u>30,000</u>	<u>6,993,490</u>
Change in net assets				431,932	(54,892)	377,040
Net assets at beginning of year				<u>9,043,292</u>	<u>435,226</u>	<u>9,478,518</u>
Net assets at end of year				<u>\$9,475,224</u>	<u>\$380,334</u>	<u>\$9,855,558</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in pooled cash and investments	\$2,666,251	\$373,883	\$742,513	\$3,062,760	\$50,167	\$6,895,574
Receivables:						
Taxes	2,999,206		536,441			3,535,647
Accrued interest	19,161					19,161
Interfund loans	120,000					120,000
Prepayments	40,263					40,263
Loans receivable	200					200
Total assets	<u>5,845,081</u>	<u>373,883</u>	<u>1,278,954</u>	<u>3,062,760</u>	<u>50,167</u>	<u>10,610,845</u>
Liabilities:						
Accounts payable	1,084	2,659	6,981		2,952	13,676
Accrued wages and benefits	663,944	32,050			21,281	717,275
Compensated absences payable	22,461					22,461
Pension obligation payable	93,324	8,448			2,980	104,752
Intergovernmental payable	20,319	1,863			1,161	23,343
Deferred revenue	194,783		32,977			227,760
Unearned revenue	2,625,133		469,108			3,094,241
Total liabilities	<u>3,621,048</u>	<u>45,020</u>	<u>509,066</u>		<u>28,374</u>	<u>4,203,508</u>
Fund Balances:						
Reserved for encumbrances	60,393	20,659	51,516		5,749	138,317
Reserved for prepayments	40,263					40,263
Reserved for property tax unavailable for appropriation	194,470		34,356			228,826
Unreserved, designated, reported in:						
Designated for Capital Projects				3,062,760		3,062,760
Unreserved, undesignated, reported in:						
General fund	1,928,907					1,928,907
Special revenue funds		308,204			16,044	324,248
Capital projects funds			684,016			684,016
Total fund balances	<u>2,224,033</u>	<u>328,863</u>	<u>769,888</u>	<u>3,062,760</u>	<u>21,793</u>	<u>6,407,337</u>
Total liabilities and fund balances	<u>\$5,845,081</u>	<u>\$373,883</u>	<u>\$1,278,954</u>	<u>\$3,062,760</u>	<u>\$50,167</u>	<u>\$10,610,845</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009**

Total governmental fund balances		\$6,407,337
 Amounts reported for governmental activities on the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,467,863
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$212,580	
Accrued interest receivable	15,180	
Total	227,760	227,760
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(480,977)	
Capital lease obligations	(146,759)	
Total	(627,736)	(627,736)
Net assets of governmental activities		\$9,475,224

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
From local sources:						
Taxes	\$2,384,258		\$441,344			\$2,825,602
Tuition	471,706	\$605,091				1,076,797
Earnings on investments	206,303					206,303
Classroom materials and fees	55,889					55,889
Extracurricular					\$3,215	3,215
Other local revenues	21,121	18,413			72,698	112,232
Intergovernmental - Intermediate	30,552					30,552
Intergovernmental - State	4,188,910	194,920	103,258		66,676	4,553,764
Intergovernmental - Federal					451,481	451,481
Total revenues	<u>7,358,739</u>	<u>818,424</u>	<u>544,602</u>		<u>594,070</u>	<u>9,315,835</u>
Expenditures:						
Current:						
Instruction:						
Vocational	4,373,714		245,811		294,233	4,913,758
Adult education		723,163			56,690	779,853
Support services:						
Pupil	305,990		2,329		157,515	465,834
Instructional staff	157,512	7,083	475		73,673	238,743
Board of education	84,757					84,757
Administration	463,566	96,531	2,692		1,096	563,885
Fiscal	344,471		15,703			360,174
Operations and maintenance	594,768		26,775			621,543
Pupil transportation	2,747					2,747
Central	290,826	4,645	195,040		6,386	496,897
Other non-instructional services			1,876		384	2,260
Extracurricular activities	22,480				3,930	26,410
Capital outlay			6,000			6,000
Debt service:						
Principal retirement		1,160	28,921			30,081
Interest and fiscal charges		1,244	25,434			26,678
Total expenditures	<u>6,640,831</u>	<u>833,826</u>	<u>551,056</u>		<u>593,907</u>	<u>8,619,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>717,908</u>	<u>(15,402)</u>	<u>(6,454)</u>		<u>163</u>	<u>696,215</u>
Other financing sources (uses):						
Transfers in		85,000		\$450,000		535,000
Transfers (out)	(565,000)					(565,000)
Capital lease transactions			6,000			6,000
Total other financing sources (uses)	<u>(565,000)</u>	<u>85,000</u>	<u>6,000</u>	<u>450,000</u>		<u>(24,000)</u>
Net change in fund balances	152,908	69,598	(454)	450,000	163	672,215
Fund balances at beginning of year	2,071,125	259,265	770,342	2,612,760	21,630	5,735,122
Fund balances at end of year	<u>\$2,224,033</u>	<u>\$328,863</u>	<u>\$769,888</u>	<u>\$3,062,760</u>	<u>\$21,793</u>	<u>\$6,407,337</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**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 \$672,215

**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 depreciation expense exceeded capital outlays in the current period.

Capital asset additions	\$358,906	
Current year depreciation	<u>(468,250)</u>	
Total		(109,344)

Governmental funds only report the gain from the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (2,911)

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

Taxes	(123,979)	
Accrued interest	<u>9,798</u>	
Total		(114,181)

Capital lease transactions are recorded as an other financing source in the funds, however in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets. (6,000)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 30,081

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 governmental funds. (37,928)

Change in net assets of governmental activities \$431,932

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
From local sources:				
Taxes	\$2,395,019	\$2,364,261	\$2,406,221	\$41,960
Tuition	478,485	472,340	471,706	(634)
Earnings on investments	202,602	200,000	198,808	(1,192)
Classroom materials and fees	65,162	64,325	55,889	(8,436)
Other local revenues	15,849	15,646	15,646	
Intergovernmental - Intermediate	30,273	29,884	30,552	668
Intergovernmental - State	4,314,425	4,259,016	4,258,110	(906)
Total revenues	<u>7,501,815</u>	<u>7,405,472</u>	<u>7,436,932</u>	<u>31,460</u>
Expenditures:				
Current:				
Instruction:				
Vocational	4,087,405	4,379,843	4,351,812	28,031
Support services:				
Pupil	266,862	285,955	285,955	
Instructional staff	150,444	161,208	161,208	
Board of education	102,442	109,771	88,488	21,283
Administration	437,049	468,318	468,318	
Fiscal	332,054	355,811	344,790	11,021
Operations and maintenance	581,689	623,307	623,307	
Pupil transportation	2,765	2,963	2,963	
Central	274,485	294,123	294,123	
Extracurricular activities	35,920	38,490	29,955	8,535
Total expenditures	<u>6,271,115</u>	<u>6,719,789</u>	<u>6,650,919</u>	<u>68,870</u>
Excess of revenues over expenditures	<u>1,230,700</u>	<u>685,683</u>	<u>786,013</u>	<u>100,330</u>
Other financing sources (uses):				
Refund of prior year expenditure	2,532	2,500	2,424	(76)
Transfers (out)	(527,276)	(565,000)	(565,000)	
Advances in	41,346	40,498	40,498	
Advances (out)	(68,677)	(75,354)	(10,200)	65,154
Sale of assets	6,534	6,450	5,475	(975)
Total other financing sources (uses)	<u>(545,541)</u>	<u>(590,906)</u>	<u>(526,803)</u>	<u>64,103</u>
Net change in fund balance	685,159	94,777	259,210	164,433
Fund balance at beginning of year	2,286,753	2,286,753	2,286,753	
Prior year encumbrances appropriated	59,060	59,060	59,060	
Fund balance at end of year	<u>\$3,030,972</u>	<u>\$2,440,590</u>	<u>\$2,605,023</u>	<u>\$164,433</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Tuition	\$543,805	\$606,440	\$605,091	(\$1,349)
Other local revenues	18,607	17,150	18,413	1,263
Intergovernmental - State	179,170	199,806	194,920	(4,886)
Total revenues	<u>741,582</u>	<u>823,396</u>	<u>818,424</u>	<u>(4,972)</u>
Expenditures:				
Current:				
Instruction:				
Adult education	727,034	784,507	765,402	19,105
Support services:				
Instructional staff	6,773	7,309	7,309	
Administration	89,327	96,388	96,388	
Central	4,305	4,645	4,645	
Total expenditures	<u>827,439</u>	<u>892,849</u>	<u>873,744</u>	<u>19,105</u>
Excess of expenditures over revenues	<u>(85,857)</u>	<u>(69,453)</u>	<u>(55,320)</u>	<u>14,133</u>
Other financing sources:				
Transfers in	76,221	85,000	85,000	
Total other financing sources	<u>76,221</u>	<u>85,000</u>	<u>85,000</u>	
Net change in fund balance	(9,636)	15,547	29,680	14,133
Fund balance at beginning of year	296,853	296,853	296,853	
Prior year encumbrances appropriated	26,521	26,521	26,521	
Fund balance at end of year	<u>\$313,738</u>	<u>\$338,921</u>	<u>\$353,054</u>	<u>\$14,133</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009**

	Business-Type Activities
	Non-major Enterprise Funds
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$377,087
Materials and supplies inventory	88,708
Total current assets	465,795
Non-current assets:	
Capital assets, net	55,778
Total assets	521,573
Liabilities:	
Current:	
Accrued wages and benefits	12,476
Interfund loans payable	120,000
Pension obligation payable	8,268
Intergovernmental payable	495
Total Liabilities	141,239
Net assets:	
Invested in capital assets	55,778
Unrestricted	324,556
Total net assets	\$380,334

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Business-Type Activities
	Non-major Enterprise Funds
Operating revenues:	
Tuition and fees	\$17,155
Sales/charges for services	422,923
Other	11,673
Total operating revenues	451,751
Operating expenses:	
Personal services	132,037
Purchased services	4,446
Materials and supplies	448,474
Depreciation	8,687
Other	2,560
Total operating expenses	596,204
Operating loss	(144,453)
Non-operating revenues:	
Federal donated commodities	8,326
Grants and subsidies	51,235
Total non-operating revenues	59,561
Income (loss) before transfers	(84,892)
Transfer in	30,000
Change in net assets	(54,892)
Net assets at beginning of year	435,226
Net assets at end of year	\$380,334

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Business-Type Activities
	Nonmajor Enterprise Funds
Cash flows from operating activities:	
Cash received from tuition and fees	\$17,155
Cash received from sales/charges for services	422,923
Cash received from other operations	11,673
Cash payments for personal services	(130,399)
Cash payments for purchased services	(4,446)
Cash payments for materials and supplies	(432,639)
Cash payments for other expenses	(2,560)
	(118,293)
 Cash flows from noncapital financing activities:	
Cash received from grants and subsidies	51,235
Cash received from internal loans	25,000
Cash received from transfers in	30,000
Cash used in repayment of interfund loans	(45,898)
	60,337
Net cash provided by non-capital financing activities	60,337
Net decrease in cash and cash equivalents	(57,956)
Cash and cash equivalents at beginning of year	435,043
Cash and cash equivalents at end of year	377,087
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	(144,453)
 Adjustments:	
Depreciation	8,687
Federal donated commodities	8,326
 Changes in assets and liabilities:	
Decrease in materials and supplies inventory	7,748
Decrease in accounts payable	(275)
Increase in accrued wages and benefits	1,035
Increase in pension obligation payable	530
Increase in intergovernmental payable	109
	109
Net cash used in operating activities	(\$118,293)

See accompanying notes to the basic financial statements.

VANTAGE CAREER CENTER
VAN WERT COUNTY

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$52,009
Total Assets	<u>52,009</u>
Liabilities:	
Intergovernmental payable	116
Loans payable	200
Held for employee medical and dental reimbursement	17,289
Due to students	34,404
Total Liabilities	<u>\$52,009</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

1. DESCRIPTION OF THE CAREER CENTER

The Vantage Career Center (the "Career Center") was created under the provisions of Section 3311.18, of the Ohio Revised Code. The Career Center is operated under a Board of Education consisting of 1 member each from the participating districts that are appointed by their Boards of Education. The Board currently consists of 11 members.

Career Centers provide job training for residents of participating districts. The Career Center provides various courses of instruction at the high school and adult education level. These courses include office occupation education, computer technology, auto and construction trades and cosmetology. The Career Center also provides support services for the pupils, instructional staff, facilities acquisitions and construction services, operation and maintenance of plant, food services, extracurricular activities, and non-programmed services. It is staffed by 30 non-certified employees and 68 certified full-time teaching personnel, who provide services to 513 full-time equivalent students and other community members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Career Center have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Career Center also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The Career Center has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The Career Center has elected not to apply these FASB Statements and Interpretations. The Career Center's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "*The Financial Reporting Entity*", as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the Career Center are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Career Center. For the Career Center, this includes general operations, food service, preschool and student related activities of the Career Center.

Component units are legally separate organizations for which the Career Center is financially accountable. The Career Center is financially accountable for an organization if the Career Center appoints a voting majority of the organization's governing board and (1) the Career Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Career Center is legally entitled to or can otherwise access the organization's resources; (3) the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt or the levying of taxes.

Based upon the application of these criteria, the Career Center has no component units. The basic financial statements of the reporting entity include only those of the Career Center (the primary government).

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following organization is described due to its relationship to the Career Center:

1. Jointly Governed Organization

Northwest Ohio Area Computer Services Cooperative (NOACSC) - The Career Center is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts. The Governing Board of NOACSC consists of two representatives from each county, elected by majority vote of all charter member school districts within each county, plus one representative from the fiscal agent school district. Financial information is available from Ray Burden, Director, at 645 South Main Street, Lima, Ohio 45804.

The Career Center also participates in three group purchasing pools for insurance, described in Note 12.

B. Fund Accounting

The Career Center 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.

1. 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 Career Center's major governmental funds:

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

Adult education fund - The adult education fund is used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and reimbursement from the State Department of Education. Expenditures include supplies, salaries and textbooks.

Permanent improvement fund - The permanent improvement fund is used to account for all transactions related to the acquisition and/or construction of permanent improvements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital projects fund - The capital projects fund is used to accumulate money (including transfers from the general fund) that has been designated for future building projects.

Other governmental funds of the Career Center are used to account for grants and other resources whose use is restricted to a particular purpose.

- 2. Proprietary Funds** - Proprietary funds are used to account for the Career Center's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The Career Center's only proprietary funds are enterprise funds. The following is a description of the Career Center's enterprise funds:

Enterprise funds - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Career Center has two non-major enterprise funds to account for all transactions related to rotary services and food service operations provided by the Career Center.

- 3. Fiduciary Funds** - 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 Career Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Career Center's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Career Center's agency fund accounts for student activities and medical and dental reimbursements.

C. Basis of Presentation and Measurement Focus

1. Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Career Center that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Career Center and for each function or program of the Career Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Career Center.

- 2. Fund Financial Statements** - Fund financial statements report detailed information about the Career Center. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. 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 fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Career Center finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Career Center's enterprise funds are sales for food services and uniform supplies as well as charges for services for rotary activities. Operating expenses for the enterprise funds are personnel costs and purchased services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. **Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 Career Center, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the Career Center 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 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

2. **Unearned Revenue and Deferred Revenue** - Unearned revenue and deferred revenue arise 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, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2009 are recorded as deferred revenue on the fund financial statements.

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

3. **Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets

The Career Center is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2009 is as follows:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Van Wert County Budget Commission for tax rate determination.

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Career Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2009.

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the object level within the fund level, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund and object must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals. Any revisions that alter the total of any fund and object appropriation must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2009. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments

To improve cash management, cash received by the Career Center is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the Career Center's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2009, investments were limited to negotiable and nonnegotiable certificates of deposits, federal agency securities, and U.S. Government money market mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Career Center, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$206,303, which includes \$131,833 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Career Center are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Career Center's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Career Center maintains a capitalization threshold of \$1,000. 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. The Career Center does not possess infrastructure.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	20 years	n/a
Buildings and improvements	20 - 50 years	n/a
Furniture and equipment	10 - 20 years	10 - 20 years
Vehicles	8 years	n/a

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Receivables and payables resulting from loans from governmental funds to the agency fund are classified as "loans receivable/payable."

J. Compensated Absences

Compensated absences of the Career Center consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Career Center and the employee.

In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2009, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service (including a minimum of 5 years of service with the Career Center); or 20 years' service at any age were considered.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2009 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the governmental fund financial statements, compensated absences are reported to the extent that a known liability for an employee's retirement/resignation has been incurred by fiscal year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees are paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

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

L. Fund Balance Reserves and Designations

The Career Center reserves those portions of fund equity which are legally segregated for a 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 have been established for encumbrances, prepayments, and property tax revenue unavailable for appropriation. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute.

A designation of fund balance represents a self imposed limitation on the use of available expendable resources by the Board of Education. The designation for capital projects represents monies designated by the Board of Education for possible use for future building construction projects.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. There were no net assets restricted by enabling legislation.

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

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

O. Estimates

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

P. 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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2009.

3. ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2009, the Career Center has implemented GASB Statement No. 49, "*Accounting and Financial Reporting for Pollution Remediation Obligations*"; GASB Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments*"; GASB Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*"; and GASB Statement No. 56 "*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the Career Center.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

3. ACCOUNTABILITY AND COMPLIANCE (Continued)

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the Career Center.

B. Deficit Fund Balances

Fund balances at June 30, 2009 included the following individual fund deficits:

<u>Non-major governmental funds</u>	<u>Deficit</u>
EMIS	\$ 26
Vocational education	23,437

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments for accrued liabilities.

4. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Career Center 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 Career Center treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies may be deposited or invested in the following securities:

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Career Center, 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.

A. Cash on Hand

At fiscal year end, the Career Center had \$965 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and investments."

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

B. Deposits with Financial Institutions

At June 30, 2009, the carrying amount of all Career Center deposits was \$5,824,312. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$4,160,311 of the Career Center's bank balance of \$6,006,049 was exposed to custodial risk as discussed below, while \$1,845,738 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Career Center'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 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 Career Center.

The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

C. Investments

As of June 30, 2009, the Career Center had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity 6 Months or Less</u>
Federal Home Loan Bank	\$515,000	\$515,000
Negotiable certificates of deposit	963,288	963,288
U.S. Government money market mutual fund	21,105	21,105
	<u>\$1,499,393</u>	<u>\$1,499,393</u>

The weighted average maturity of investments is 0.42 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Career Center's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The Career Center's investments were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Career Center's name. The Career Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk: The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
Federal Home Loan Bank	\$ 515,000	34.35
Negotiable certificates of deposit	963,288	64.24
U.S. Government money market mutual fund	21,105	1.41
	<u>\$1,499,393</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net assets as of June 30, 2009:

Cash and investments per note:	
Carrying amount of deposits	\$5,824,312
Investments	1,499,393
Cash on hand	965
Total	<u>\$7,324,670</u>
 Cash and investments per statement of net assets:	
Governmental activities	\$6,895,574
Business-type activities	377,087
Agency funds	52,009
Total	<u>\$7,324,670</u>

5. INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2009 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-major business-type activities	<u>\$120,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, only internal balances between governmental funds and business-type activities funds at June 30, 2009 are reported in the statement of net assets.

B. Interfund transfers for the year ended June 30, 2009, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	Amount
Adult education fund	\$85,000
Capital projects fund	450,000
Non-major business-type activities	30,000
Total	<u>\$565,000</u>

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

5. INTERFUND TRANSACTIONS (Continued)

Transfers are used to move revenues from the fund that statute or budget required 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.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, only transfers between governmental funds and business-type activities funds at June 30, 2009 are reported in the statement of activities.

- C. Loans between governmental funds and the agency fund are reported as "loans receivable/payable" on the financial statements. The School District had the following loan outstanding at fiscal year-end:

<u>Loan From</u>	<u>Loan To</u>	<u>Amount</u>
General	Agency	<u>\$200</u>

The loan to the agency fund is expected to be repaid in the subsequent year as resources become available in the agency fund.

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the Career Center fiscal year runs from July through June. First half tax collections are received by the Career Center 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 property, public utility property and tangible personal (used in business) property located in the Career Center. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20.

Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

6. PROPERTY TAXES (Continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 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. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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 Career Center prior to June 30.

The Career Center receives property taxes from Van Wert County. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations.

The amount available as an advance at June 30, 2009 was \$194,470 in the general fund and \$34,356 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2008 was \$216,433 in the general fund and \$42,113 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end 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 unearned revenue.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting 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	\$868,523,240	91.24	\$ 950,809,680	94.12
Tangible personal property	32,993,067	3.46	7,897,397	0.78
Public utility personal	50,438,560	5.30	51,538,400	5.10
Total	\$951,954,867	100.00	\$1,010,245,477	100.99
Tax rate per \$1,000 of assessed valuation	\$3.80		\$3.80	

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

7. RECEIVABLES

Receivables at June 30, 2009 consisted of taxes and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported in the statement of net assets follows:

Governmental Activities:	
Taxes	\$3,535,647
Accrued Interest	19,161
Total Receivables	\$3,554,808

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

8. CAPITAL ASSETS

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

	Balance 6/30/2008	Additions	Deductions	Balance 6/30/2009
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 40,000			\$ 40,000
Total capital assets, not being depreciated	40,000			40,000
Capital assets, being depreciated:				
Land improvements	209,596			209,596
Buildings and improvements	6,077,255			6,077,255
Furniture and equipment	3,329,086	\$339,106	(\$49,285)	3,618,907
Vehicles	282,687	19,800	(6,500)	295,987
Total capital assets, being depreciated	9,898,624	358,906	(55,785)	10,201,745
Less: accumulated depreciation:				
Land improvements	(167,070)	(10,292)		(177,362)
Building and improvements	(3,878,467)	(121,819)		(4,000,286)
Furniture and equipment	(2,133,494)	(315,033)	48,405	(2,400,122)
Vehicles	(179,475)	(21,106)	4,469	(196,112)
Total accumulated depreciation	(6,358,506)	(468,250)	52,874	(6,773,882)
Governmental Activities Capital Assets, Net	3,580,118	(109,344)	(2,911)	3,467,863
Business-Type Activities:				
Capital Assets, being depreciated:				
Furniture and equipment	264,755			264,755
Less: accumulated depreciation	(200,290)	(8,687)		(208,977)
Total	\$ 64,465	(\$ 8,687)	\$ 0	\$ 55,778

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

8. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$392,573
Adult education	7,427
Support Services:	
Pupil	117
Instructional staff	9,004
Administration	9,076
Fiscal	1,466
Operations and maintenance	21,535
Pupil transportation	17,462
Operation of non-instructional services	9,450
Extracurricular activities	140
Total depreciation expense	\$468,250

Depreciation expense was charged to the business-type activities as follows:

Non-major business-type activities:	
Food service	\$8,687

9. CAPITAL LEASES - LESSEE DISCLOSURE

In the current and previous years the Career Center entered into capitalized leases for copier equipment. These lease agreements meet the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds and as a reduction to the liability for the principal portion on the government-wide financial statements. These expenditures are reported as function expenditures on the budgetary statements.

Copier equipment with a net present value of \$536 has not been capitalized since the asset does not meet the District's capitalization threshold. Capital assets consisting of copier equipment have been capitalized in the amount of \$202,000. This amount represents the fair market value of the copiers at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Accumulated depreciation as of June 30, 2009 was \$80,199, leaving a book value of \$121,801. Principal payments in fiscal year 2009 totaled \$28,921 paid by the permanent improvement fund and \$1,160 paid by the adult education fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2009:

Fiscal Year Ending June 30,	Amount
2010	\$58,360
2011	58,360
2012	53,045
2013	24,036
Total minimum lease payments	193,801
Less: amount representing interest	(47,042)
Total	\$146,759

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

10. LONG-TERM OBLIGATIONS

A. During fiscal year 2009, the following activity occurred in long-term obligations:

	Balance Outstanding 06/30/2008	Additions	Reductions	Balance Outstanding 06/30/2009	Amounts Due in One Year
Governmental activities:					
Capital lease obligations	\$170,840	\$ 6,000	(\$30,081)	\$146,759	\$36,501
Compensated absences	518,315	106,682	(121,559)	503,438	69,070
Total long-term obligations, governmental activities	<u>\$689,155</u>	<u>\$112,682</u>	<u>(\$151,640)</u>	<u>\$650,197</u>	<u>\$105,571</u>

Compensated absences are paid from the funds from which salaries are paid which include the general fund, adult education fund and the vocational education fund (a non-major governmental fund).

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9 percent of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1 percent of the property valuation of the Career Center. The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006.

In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2009, are a voted debt margin of \$90,114,419 and an unvoted debt margin of \$1,001,271.

11. EMPLOYEE BENEFITS

Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 200 days for all personnel. Upon retirement, payment is made for 25 percent of 132 of the accrued sick leave days up to 33 days. Prior to July 1, 2007, incentive days could be earned based on the number of unused sick days in a school year. Employees who accumulated incentive days prior to July 1, 2007, will retain those days but not be able to earn more days after July 1, 2007.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

12. RISK MANAGEMENT

The Career Center 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. The Career Center maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, public official bonds, and professional liability. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal 2008.

Group Purchasing Pools

Ohio School Boards Association Group Rating Program (GRP) - The Career Center participates in a group rating program (GRP) for workers' compensation as established under Ohio Revised Code Section 4123.29. The Group Rating Plan was established through the Ohio School Board Association as a group insurance purchasing pool. The GRP is intended to reduce premiums for the participants. The workers' compensation experience of the participating schools is calculated as one experience and a common premium rate is applied to all schools in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to educational entities that can meet the GRP's selection criteria. Each participant must apply annually. The GRP provides the participants with a centralized program for processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. Each year, the participating schools pay an enrollment fee to the GRP to cover the costs of administering the program.

Schools of Ohio Risk Sharing Authority - The Career Center participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA's business affairs are conducted by a nine member Board of directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self-insurance coverage and to assist members to prevent and reduce losses and injuries to the Career Center's property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code 2744.

Van Wert Area School Insurance Group (VWASIG) - The Career Center is a member of the VWASIG, a cooperative group of Van Wert County schools established to provide life insurance and pay medical/surgical, prescription drug, and dental benefits of employees and their covered dependents. The medical insurance program operates under the control of a Board of Trustees representing the member schools and is administered by Anthem Blue Cross Blue Shield through a Third Party Administrator, Pinnacle Advisory Group. Van Wert City School serves as the fiscal agent.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the Career Center.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

13. PENSION PLANS

A. School Employees Retirement System

Plan Description - The Career Center contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Forms and Publications*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute at an actuarially determined rate. The current Career Center rate is 14 percent of annual covered payroll. A portion of the Career Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Career Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$94,202, \$94,887 and \$96,435, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description - The Career Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

13. PENSION PLANS (Continued)

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

Funding Policy - For fiscal year 2009, plan members were required to contribute 10 percent of their annual covered salaries. The Career Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Career Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$463,640, \$417,458 and \$411,657, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$5,569 made by the Career Center and \$9,051 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The Career Center's liability is 6.2 percent of wages paid.

14. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The Career Center participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For 2009, the surcharge amount was \$15,127.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

14. POSTEMPLOYMENT BENEFITS (Continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The Career Center's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$43,111, \$43,300 and \$35,775, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The Career Center's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$7,772, \$6,837 and \$6,558, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description - The Career Center contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Career Center's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$35,665, \$32,112 and \$31,666, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

15. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and major special revenue 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 the GAAP basis are that:

- a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

15. BUDGETARY BASIS OF ACCOUNTING (Continued)

- c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund and the adult education fund is as follows:

	Net Change in Fund Balance	
	General Fund	Adult Education
Budget basis	\$259,210	\$29,680
Net adjustment for revenue accruals	(78,193)	
Net adjustment for expenditure accruals	(51,140)	19,089
Net adjustment for other sources/uses	(38,197)	
Adjustment for encumbrances	61,228	20,829
GAAP basis	\$152,908	\$69,598

16. STATUTORY RESERVES

The Career Center is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a GAAP-basis. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	Textbooks/ Instructional Materials	Capital Acquisition
Set-aside balance as of June 30, 2008	(\$1,183,019)	
Current year set-aside requirement	76,845	\$ 76,845
Current year offsets		(449,101)
Qualifying disbursements	(274,020)	(40,395)
Total	(\$1,380,194)	(\$412,651)
Amount carried forward to fiscal year 2010	(\$1,380,194)	\$ 0

The Career Center had qualifying expenditures during the fiscal year that reduced the textbooks/instructional materials set aside amount below zero. This amount may be used to reduce the set aside requirement of future fiscal years.

Although the Career Center had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

17. CONTINGENCIES

A. Grants

The Career Center receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Career Center. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Career Center.

B. Litigation

The Career Center is of the opinion that any current or future claims will either result in a favorable outcome or be covered by current insurance policies, so as not to materially affect the overall financial position of the Career Center.

This page intentionally left blank.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
(Passed through Ohio Department of Education)						
Child Nutrition Cluster:						
School Breakfast Program	2008/2009	10.553	\$6,814		6,814	
Non cash Assistance (Food Distribution) National School Lunch Program		10.555		\$10,306		\$10,306
National School Lunch Program	2008/2009	10.555	43,250		43,250	
Total Nutrition Cluster			50,064	10,306	50,064	10,306
Total U.S. Department of Agriculture			50,064	10,306	50,064	10,306
U.S. DEPARTMENT OF EDUCATION						
Direct						
Student Financial Aid Cluster:						
Pell Grant	2009	84.063	162,467		162,467	
Pell Grant	2008	84.063	4,686		4,686	
Total			167,153		167,153	
Federal Supplemental Education Opportunity Grant	2009	84.007	5,000		5,000	
Total Student Financial Aid Cluster			172,153		172,153	
Rural Education Achievement Program	2009	84.358	49,470		49,470	
(Passed through Ohio Department of Education)						
Adult Education - State Grant Program	2008	84.002	(1,451)		554	
Adult Education - State Grant Program	2009	84.002	66,001		55,238	
Total Adult Education - State Grant Program			64,550		55,792	
Title II - Improving Teacher Quality	2009	84.367	1,678		1,678	
Vocational Education - Basic Grants to States (A)	2009	84.048	21,770		21,770	
Vocational Education - Basic Grants to States	2009	84.048	144,814		144,814	
Total			166,584		166,584	
Drug Free School Grant	2009	84.186	720		720	
(Passed through Rhodes State College)						
Tech Prep Education	2009	84.243	8,000		8,000	
Total U.S. Department of Education			463,155		454,397	
Total Federal Assistance			\$513,219	\$10,306	\$504,461	\$10,306

(A) - Four County JVS is the fiscal agent for the grant

See Accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures.

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the Center to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The Center reports commodities consumed on the Schedule at the fair value.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the Center to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Center has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The Center transferred the following amounts:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Adult State Grant Program 501-9908	84.002		\$1,450
Adult State Grant Program 501-9909	84.002	\$1,450	
Drug Free School Grant 584-9009	84.186		20
Improving teacher Quality State Grant	84.367	20	



Mary Taylor, CPA

Auditor of State

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

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, (the Career Center), as of and for the year ended June 30, 2009, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated November 5, 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Career Center's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Career Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Career Center'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 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 Career Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Career Center's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Career Center's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Career Center's management in a separate letter dated November 5, 2009.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the Career Center's management in a separate letter dated November 5, 2009.

We intend this report solely for the information and use of the audit committee, management, and the Board of Education. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

November 5, 2009



Mary Taylor, CPA

Auditor of State

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

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

Compliance

We have audited the compliance of the Vantage Career Center, Van Wert County, (the Career Center), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to its major federal programs for the fiscal year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Career Center's major federal programs. The Career Center's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Career Center's compliance based on our audit.

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

In our opinion, the Career Center, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the fiscal year ended June 30, 2009.

Internal Control Over Compliance

The Career Center's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Career Center's internal control over compliance with requirements that could directly and materially affect 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 Career Center's internal control over compliance.

**Internal Control Over Compliance
(Continued)**

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Career Center's ability to administer a federal program such that there is more than a remote likelihood that the Career Center's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Career Center's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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.

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



Mary Taylor, CPA
Auditor of State

November 5, 2009

**VANTAGE CAREER CENTER
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Pell Grant - CFDA # 84.063, Federal Supplemental Educational Opportunity Grant - CFDA 84.007, Vocational Education – Basic Grants to States - CFDA #84.048
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Vantage Career Center
Van Wert County
818 North Franklin Street
Van Wert, Ohio 45891

To the Board of Education:

Ohio Rev. 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 to by the Board, solely to assist the Board in evaluating whether Vantage Career Center (the Career Center) has adopted an anti-harassment policy in accordance with Ohio Rev. 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 the Board adopted an anti-harassment policy at its meeting on December 6, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - 1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - 2) A definition of harassment, intimidation, or bullying that shall include the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - 3) A procedure for reporting prohibited incidents;
 - 4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - 5) 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;

- 6) A procedure for documenting any prohibited incident that is reported;
- 7) A procedure for responding to and investigating any reported incident;
- 8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- 9) A disciplinary procedure 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;
- 10) A requirement that the district administration semiannually provide the president of the Career Center 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 solely 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.



Mary Taylor, CPA
Auditor of State

November 5, 2009



Mary Taylor, CPA
Auditor of State

VANTAGE CAREER CENTER

VAN WERT 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**