

**SCIOTO COUNTY CAREER TECHNICAL CENTER
SCIOTO COUNTY**

SINGLE AUDIT

JUNE 30, 2009

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
Auditor of State

Board of Education
Scioto County Career Technical Center
951 Vern Riffe Drive
Lucasville, Ohio 45648

We have reviewed the *Independent Accountants' Report* of the Scioto County Career Technical Center, Scioto County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 5, 2010

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**SCIOTO COUNTY CAREER TECHNICAL CENTER
SCIOTO COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

INDEPENDENT ACCOUNTANTS' REPORT

December 28, 2009

Scioto County Career Technical Center
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Scioto County Career Technical Center, Scioto County, Ohio** (the Center), as of and for the year ended June 30, 2009, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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, each major fund, and the aggregate remaining fund information of Scioto County Career Technical Center, as of June 30, 2009, and the respective changes in financial position 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 December 28, 2009, on our consideration of the 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.

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.

We conducted our audit to opine on the financial statements that collectively comprise the Center's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Receipts and Expenditures 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2009 are as follows:

- Net assets of governmental activities increased \$647,560.
- General revenues accounted for \$7,895,662 or 68% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$3,761,503 or 32% of total revenues of \$11,657,165.
- The School District had \$11,009,605 in expenses related to governmental activities; only \$3,761,503 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues of \$7,895,662 were adequate to offset the remaining \$7,248,102 cost for these programs.
- The School District has four major funds: the General Fund, the Classroom Facilities Capital Projects Fund, the Adult Education Special Revenue Funds, and the Permanent Improvement Capital Projects Fund. All governmental funds had total revenues and other financing sources of \$13,167,398 and expenditures and other financing uses of \$18,410,447.

USING THIS ANNUAL FINANCIAL REPORT

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 Scioto County Career Technical Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

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

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes in to account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

- In the Statement of Net Assets and the Statement of Activities, most of the School District's programs and services are reported as governmental activities including instruction, support services, operation of non instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 7. Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Classroom Facilities Fund, Adult Education Fund, and the Permanent Improvement Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental 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.

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. The School District's fiduciary fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2009 compared to 2008.

Table 1
Statement of Net Assets

	Governmental Activities	
	2009	2008*
Assets		
Current and Other Assets	\$11,193,627	\$18,172,313
Capital Assets, Net	22,186,230	15,559,548
Total Assets	33,379,857	33,731,861
Liabilities		
Current and Other Liabilities	4,482,996	5,376,230
Long-Term Liabilities	3,895,581	4,001,911
Total Liabilities	8,378,577	9,378,141
Net Assets		
Invested in Capital Assets		
Net of Debt	18,890,230	12,248,483
Restricted	3,783,133	8,888,666
Unrestricted	2,327,917	3,216,571
Total Net Assets	\$25,001,280	\$24,353,720

*As restated. See Note 20 to the basic financial statements.

Total net assets of the School District as a whole increased \$647,560. The decrease to total assets of \$352,004 was due primarily to an increase in capital assets in the amount of \$6,626,682 due mainly to the addition of construction in progress for the renovations to the school building during the fiscal year and of \$217,789 in accounts receivable due to increased adult education enrollment. These increases were offset by a \$6,181,710 decrease in cash and cash equivalents (including restricted cash) and a \$830,456 decrease in intergovernmental receivable due to the receipt of most of the Ohio School Facilities Commission monies. The \$999,564 decrease in total liabilities is due primarily to a \$887,928 decrease to contracts payable related to the school facilities construction project and a \$292,034 decrease in deferred revenue related to the decreased intergovernmental receivable previously noted. This decrease was partially offset by an increase in intergovernmental payable and accrued wages and benefits payable of \$79,201 and \$58,094 due to an additional payroll accrued in the available period.

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Table 2 shows the changes in net assets for the fiscal years ended June 30, 2009 and 2008.

Table 2
Change in Net Assets

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008*</u>
Revenues		
Program Revenues		
Charges for Services and Sales	\$ 1,660,460	\$ 1,607,183
Operating Grants and Contributions	2,101,043	2,012,800
Total Program Revenues	<u>3,761,503</u>	<u>3,619,983</u>
General Revenues		
Property Taxes	2,470,806	2,535,005
Grants and Entitlements not Restricted to Specific Programs	4,089,703	3,678,247
Grants and Entitlements Restricted for Classroom Facilities	897,886	2,894,212
Investment Earnings	289,800	616,690
Gain on Sale of Capital Assets	4,103	-
Miscellaneous	143,364	152,905
Total General Revenues	<u>7,895,662</u>	<u>9,877,059</u>
Total Revenues	<u>11,657,165</u>	<u>13,497,042</u>
Program Expenses		
Instruction:		
Special	168,755	162,180
Vocational	6,261,780	5,910,818
Support Services:		
Pupils	507,383	476,213
Instructional Staff	531,882	478,144
Board of Education	16,670	17,951
Administration	1,491,693	1,386,259
Fiscal	387,407	394,580
Operation and Maintenance of Plant	1,124,671	1,008,836
Pupil Transportation	16,952	42,420
Central	148,815	143,623
Operation of Non-Instructional Services	319,153	394,659
Extracurricular Activities	34,444	31,244
Interest and Fiscal Charges	-	913
Total Expenses	<u>11,009,605</u>	<u>10,447,840</u>
Increase in Net Assets	647,560	3,049,202
Net Assets, Beginning of Year	<u>24,353,720</u>	<u>21,304,518</u>
Net Assets, End of Year	<u>\$ 25,001,280</u>	<u>\$ 24,353,720</u>

*As restated. See Note 20 to the basic financial statements.

The increase in unrestricted grants and entitlements was due primarily to increased Foundation remittances. The decrease in grants and entitlements restricted for Classroom Facilities was due to the project nearing a close. Investment earnings decreased as a result of lower cash levels in banks throughout the year in addition to decreasing interest rates. Increases in vocational instruction and administration and operation and maintenance of plant support services increased primarily due to increased salaries and benefits expenses.

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Governmental Activities

Charges for services and sales comprised 14 percent of revenue for governmental activities, while operating grants and contributions comprised 18 percent of revenue for governmental activities of the School District for fiscal year 2009. Grants and entitlements not restricted for specific programs comprised 35 percent of revenue for governmental activities, while property taxes comprised 21 percent of revenue for governmental activities. Grants and entitlements restricted for classroom facilities comprised 8 percent of revenue for governmental activities.

As indicated by governmental program expenses, instruction is emphasized. Vocational instruction comprised 57 percent of governmental program expenses. Administration and operation and maintenance of plant support services also comprise significant portions of total expenses, representing 14 percent and 10 percent, respectively.

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

Table 3
Governmental Activities

	<u>Total Cost of Services</u> <u>2009</u>	<u>Net Cost of Services</u> <u>2009</u>	<u>Total Cost of Services</u> <u>2008*</u>	<u>Net Cost of Services</u> <u>2008*</u>
Program Expenses				
Instruction:				
Special	\$ 168,755	\$ (115,252)	\$ 162,180	\$ (84,584)
Vocational	6,261,780	4,130,801	5,910,818	3,992,229
Support Services:				
Pupils	507,383	296,344	476,213	305,812
Instructional Staff	531,882	508,140	478,144	402,916
Board of Education	16,670	16,510	17,951	17,831
Administration	1,491,693	843,423	1,386,259	758,536
Fiscal	387,407	384,128	394,580	391,804
Operation and Maintenance of Plant	1,124,671	1,093,867	1,008,836	909,654
Pupil Transportation	16,952	16,812	42,420	42,149
Central	148,815	118,709	143,623	117,015
Operation of Non-Instructional Services	319,153	(75,852)	394,659	(54,964)
Extracurricular Activities	34,444	30,472	31,244	28,552
Interest and Fiscal Charges	-	-	913	907
Total	<u>\$ 11,009,605</u>	<u>\$ 7,248,102</u>	<u>\$ 10,447,840</u>	<u>\$ 6,827,857</u>

*As restated. See Note 20 to the basic financial statements.

THE SCHOOL DISTRICT FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The General Fund had \$6,647,244 in revenues and other financing sources and \$7,598,868 in expenditures and other financing uses resulting in a decrease in fund balance of \$951,624. Intergovernmental revenues increased by \$448,159 due to increased Foundation remittances. Investment earnings decreased \$80,641 due to decreased cash levels in banks and interest rate reductions. Expenditures increased \$645,794 due primarily to an increase in salaries and benefits costs.

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

The Permanent Improvement Capital Projects Fund had \$720,114 in revenues and \$1,867,953 in expenditures and other financing uses resulting in a decrease in fund balance of \$1,147,839. Expenditures increased \$1,323,037 due to construction payments.

The Adult Education Fund had \$2,172,624 in revenues and other financing sources and \$1,962,489 in expenditures resulting in an increase in fund balance of \$210,135. Revenues and expenditures were reasonably consistent between years. However, the fund did receive a \$198,000 transfer from the General Fund during the year.

The Classroom Facilities Capital Projects Fund had \$1,675,491 in revenues and \$5,456,729 in expenditures resulting in a decrease in fund balance of \$3,781,238. Intergovernmental revenue decreased \$6,416,368 due to the construction project nearing a close. Investment earnings decreased due to the payment of the majority of monies received from the Ohio School Facilities Commission. Expenditures decreased \$5,342,462 due to the bulk of the construction project having been performed in the prior fiscal year.

General Fund Budgeting Highlights

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

During 2009, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$304,030 and increased appropriations by \$632,132. Revisions were made to budgeted revenues in anticipation of higher Foundation monies than were initially expected. Revisions were made to budgeted expenditures in anticipation of higher than initially expected salaries and benefits costs. The Treasurer has been given the authority by the Board of Education to make line item adjustments within the budget. The General Fund's ending unobligated cash balance was \$3,097,533.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2009, the School District had \$22,186,230 invested in land and improvements, construction in progress, buildings and improvements, furniture, fixtures, and equipment, vehicles, and library and textbooks. For additional information on capital assets, see Note 8 to the basic financial statements. Table 4 shows fiscal year 2009 balances compared to 2008.

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities	
	2009	2008*
Land	\$ 33,852	\$ 33,852
Construction in Progress	18,564,741	11,873,987
Buildings and Improvements	2,098,742	2,269,911
Furniture, Fixtures and Equipment	1,416,827	1,305,327
Vehicles	72,068	76,471
Totals	\$ 22,186,230	\$ 15,559,548

*As restated. See Note 20 to the basic financial statements.

Changes in capital assets from the prior year primarily resulted from additions in construction in progress and equipment, and depreciation.

Scioto County Career Technical Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Debt

At June 30, 2009, the School District had a construction loan outstanding of \$146,000 and capital lease obligations of \$3,150,000, of which \$14,600 of these obligations are due within one year. The School District made the final payment on its equipment loan in the amount of \$56,200 during the fiscal year. For additional information on debt, see Note 12 to the basic financial statements.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Brett Butler, Treasurer at Scioto County Career Technical Center, 951 Vern Riffe Drive, Lucasville, Ohio 45648.

Scioto County Career Technical Center
Statement of Net Assets
June 30, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 5,485,307
Accounts Receivable	608,152
Intergovernmental Receivable	882,187
Property Taxes Receivable	3,108,247
Restricted Assets:	
Cash and Cash Equivalents with Escrow Agents	1,109,734
Nondepreciable Capital Assets	18,598,593
Depreciable Capital Assets, Net	3,587,637
<i>Total Assets</i>	33,379,857
Liabilities	
Accounts Payable	85,404
Accrued Wages and Benefits Payable	631,679
Retainage Payable	558,601
Contracts Payable	415,781
Matured Compensated Absences Payable	5,628
Deferred Revenue	2,520,316
Intergovernmental Payable	265,587
Long-Term Liabilities:	
Due Within One Year	134,574
Due In More Than One Year	3,761,007
<i>Total Liabilities</i>	8,378,577
Net Assets	
Invested in Capital Assets, Net of Related Debt	18,890,230
Restricted for:	
Capital Projects	2,296,997
Debt Service	551,133
Other Purposes	935,003
Unrestricted	2,327,917
<i>Total Net Assets</i>	\$ 25,001,280

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Instruction:				
Special	\$ 168,755	\$ 1,620	\$ 282,387	\$ 115,252
Vocational	6,261,780	984,105	1,146,874	(4,130,801)
Support Services:				
Pupils	507,383	96,969	114,070	(296,344)
Instructional Staff	531,882	13,429	10,313	(508,140)
Board of Education	16,670	160	-	(16,510)
Administration	1,491,693	297,536	350,734	(843,423)
Fiscal	387,407	3,279	-	(384,128)
Operation and Maintenance of Plant	1,124,671	19,691	11,113	(1,093,867)
Pupil Transportation	16,952	140	-	(16,812)
Central	148,815	14,241	15,865	(118,709)
Operation of Non-Instructional Services	319,153	225,318	169,687	75,852
Extracurricular Activities	34,444	3,972	-	(30,472)
<i>Totals</i>	<u>\$ 11,009,605</u>	<u>\$ 1,660,460</u>	<u>\$ 2,101,043</u>	<u>(7,248,102)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				1,904,436
Permanent Improvements				566,370
Grants and Entitlements not Restricted to Specific Programs				4,089,703
Grants and Entitlements Restricted for Classroom Facilities				897,886
Gain on Sale of Capital Assets				4,103
Investment Earnings				289,800
Miscellaneous				143,364
<i>Total General Revenues</i>				<u>7,895,662</u>
<i>Change in Net Assets</i>				647,560
<i>Net Assets Beginning of Year - As Restated</i>				<u>24,353,720</u>
<i>Net Assets End of Year</i>				<u>\$ 25,001,280</u>

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Balance Sheet
Governmental Funds
June 30, 2009

	General	Permanent Improvement	Classroom Facilities	Adult Education	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 3,192,855	\$ 1,255,672	\$ 515,060	\$ 35,824	\$ 485,896	\$ 5,485,307
Receivables:						
Property Taxes	2,404,878	703,369	-	-	-	3,108,247
Accounts	-	-	-	608,152	-	608,152
Interfund	59,743	-	-	-	-	59,743
Intergovernmental	-	-	828,148	-	54,039	882,187
Restricted Assets:						
Cash and Cash Equivalents with Escrow Agents	-	-	558,601	-	551,133	1,109,734
<i>Total Assets</i>	<u>\$ 5,657,476</u>	<u>\$ 1,959,041</u>	<u>\$ 1,901,809</u>	<u>\$ 643,976</u>	<u>\$ 1,091,068</u>	<u>\$ 11,253,370</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 48,204	\$ 1,050	\$ 15,578	\$ 20,446	\$ 126	\$ 85,404
Accrued Wages and Benefits Payable	609,843	-	-	16,421	5,415	631,679
Interfund Payable	-	-	-	39,000	20,743	59,743
Matured Compensated Absences Payable	5,628	-	-	-	-	5,628
Contracts Payable	-	110,929	304,852	-	-	415,781
Retainage Payable	-	-	558,601	-	-	558,601
Intergovernmental Payable	202,616	-	-	42,414	20,557	265,587
Deferred Revenue	2,260,569	661,345	828,148	-	6,397	3,756,459
<i>Total Liabilities</i>	<u>3,126,860</u>	<u>773,324</u>	<u>1,707,179</u>	<u>118,281</u>	<u>53,238</u>	<u>5,778,882</u>
Fund Balances						
Reserved for Encumbrances	33,869	166,051	137,525	16,682	5,394	359,521
Reserved for Property Taxes	144,309	42,024	-	-	-	186,333
Unreserved, Undesignated, Reported in:						
General Fund	2,352,438	-	-	-	-	2,352,438
Special Revenue Funds	-	-	-	509,013	481,303	990,316
Debt Service Funds	-	-	-	-	551,133	551,133
Capital Projects Funds	-	977,642	57,105	-	-	1,034,747
<i>Total Fund Balances</i>	<u>2,530,616</u>	<u>1,185,717</u>	<u>194,630</u>	<u>525,695</u>	<u>1,037,830</u>	<u>5,474,488</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 5,657,476</u>	<u>\$ 1,959,041</u>	<u>\$ 1,901,809</u>	<u>\$ 643,976</u>	<u>\$ 1,091,068</u>	<u>\$ 11,253,370</u>

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2009

Total Governmental Fund Balances		\$ 5,474,488
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		22,186,230
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	401,598	
Intergovernmental	834,545	
Total	1,236,143	1,236,143
Long-term liabilities, including loans, capital lease obligations, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Loans	(146,000)	
Compensated Absences	(599,581)	
Capital Lease Obligations	(3,150,000)	
Total	(3,895,581)	(3,895,581)
Net Assets of Governmental Activities		\$ 25,001,280

See accompanying notes to the basic financial statements.

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

	General	Permanent Improvement	Classroom Facilities	Adult Education	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 1,878,133	\$ 556,978	\$ -	\$ -	\$ -	\$ 2,435,111
Intergovernmental	4,372,090	133,734	1,628,198	464,578	1,366,577	7,965,177
Investment Earnings	197,963	22,773	47,293	-	21,771	289,800
Charges for Services	3,140	-	-	4,500	80,766	88,406
Tuition and Fees	67,373	-	-	1,501,040	-	1,568,413
Extracurricular Activities	3,641	-	-	-	-	3,641
Gifts and Donations	-	-	-	-	1,553	1,553
Miscellaneous	118,039	6,629	-	4,506	14,190	143,364
<i>Total Revenues</i>	<u>6,640,379</u>	<u>720,114</u>	<u>1,675,491</u>	<u>1,974,624</u>	<u>1,484,857</u>	<u>12,495,465</u>
Expenditures						
Current:						
Instruction:						
Special	164,457	-	-	-	-	164,457
Vocational	3,977,880	-	-	1,305,482	842,606	6,125,968
Support Services:						
Pupils	298,402	-	-	93,952	115,333	507,687
Instructional Staff	521,839	-	-	6,340	12,747	540,926
Board of Education	16,670	-	-	-	-	16,670
Administration	754,711	-	-	522,566	153,088	1,430,365
Fiscal	335,875	22,170	20,636	-	-	378,681
Operation and Maintenance of Plant	1,092,983	-	-	12,786	7,781	1,113,550
Pupil Transportation	14,571	-	-	-	-	14,571
Central	117,502	-	-	21,363	8,000	146,865
Operation of Non-Instructional Services	-	-	-	-	314,053	314,053
Extracurricular Activities	34,444	-	-	-	-	34,444
Capital Outlay	-	1,450,249	5,436,093	-	-	6,886,342
Debt Service:						
Principal	-	-	-	-	70,800	70,800
<i>Total Expenditures</i>	<u>7,329,334</u>	<u>1,472,419</u>	<u>5,456,729</u>	<u>1,962,489</u>	<u>1,524,408</u>	<u>17,745,379</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(688,955)</u>	<u>(752,305)</u>	<u>(3,781,238)</u>	<u>12,135</u>	<u>(39,551)</u>	<u>(5,249,914)</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	6,865	-	-	-	-	6,865
Transfers In	-	-	-	198,000	467,068	665,068
Transfers Out	(269,534)	(395,534)	-	-	-	(665,068)
<i>Total Other Financing Sources (Uses)</i>	<u>(262,669)</u>	<u>(395,534)</u>	<u>-</u>	<u>198,000</u>	<u>467,068</u>	<u>6,865</u>
<i>Net Change in Fund Balances</i>	(951,624)	(1,147,839)	(3,781,238)	210,135	427,517	(5,243,049)
<i>Fund Balances Beginning of Year - As Restated</i>	<u>3,482,240</u>	<u>2,333,556</u>	<u>3,975,868</u>	<u>315,560</u>	<u>610,313</u>	<u>10,717,537</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,530,616</u>	<u>\$ 1,185,717</u>	<u>\$ 194,630</u>	<u>\$ 525,695</u>	<u>\$ 1,037,830</u>	<u>\$ 5,474,488</u>

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
*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 \$ (5,243,049)

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

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

Capital Asset Additions	6,841,284	
Current Year Depreciation	(211,840)	
Total	6,629,444	6,629,444

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

Proceeds from Sale of Capital Assets	(6,865)	
Loss on Disposal of Capital Assets	4,103	
Total	(2,762)	(2,762)

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

Taxes	35,695	
Intergovernmental	(878,098)	
Total	(842,403)	(842,403)

Repayments of loan principal are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net assets and do not result in expenses in the statement of activities.

70,800

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

Decrease in Compensated Absences	35,530	
Total	35,530	35,530

Net Change in Net Assets of Governmental Activities \$ 647,560

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
(Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original Budget	Final Budget		
Total Revenues and Other Sources	\$ 6,612,230	\$ 6,916,260	\$ 6,914,264	\$ (1,996)
Total Expenditures and Other Uses	<u>7,239,099</u>	<u>7,871,231</u>	<u>7,866,753</u>	<u>4,478</u>
Net Change in Fund Balance	(626,869)	(954,971)	(952,489)	2,482
Fund Balance, July 1, 2008	3,955,026	3,955,026	3,955,026	-
Prior Year Encumbrances Appropriated	<u>85,266</u>	<u>85,266</u>	<u>85,266</u>	<u>-</u>
Fund Balance, June 30, 2009	<u>\$ 3,413,423</u>	<u>\$ 3,085,321</u>	<u>\$ 3,087,803</u>	<u>\$ 2,482</u>

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
(Budgetary Basis)
Adult Education Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original Budget	Final Budget		
Total Revenues and Other Sources	\$ 2,209,573	\$ 2,152,842	\$ 2,152,841	\$ (1)
Total Expenditures and Other Uses	<u>2,071,654</u>	<u>2,213,412</u>	<u>2,213,127</u>	<u>285</u>
Net Change in Fund Balance	137,919	(60,570)	(60,286)	284
Fund Balance, July 1, 2008	12,553	12,553	12,553	-
Prior Year Encumbrances Appropriated	<u>50,001</u>	<u>50,001</u>	<u>50,001</u>	<u>-</u>
Fund Balance, June 30, 2009	<u>\$ 200,473</u>	<u>\$ 1,984</u>	<u>\$ 2,268</u>	<u>\$ 284</u>

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2009

	<u>Agency Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 12,344</u>
<i>Total Assets</i>	<u><u>\$ 12,344</u></u>
Liabilities	
Undistributed Monies	<u>\$ 12,344</u>
<i>Total Liabilities</i>	<u><u>\$ 12,344</u></u>

See accompanying notes to the basic financial statements.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Scioto County Career Technical Center (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1971 through the consolidation of existing land areas and school districts. The School District serves the entire Scioto County area. It is located in Lucasville, Ohio. It is staffed by 30 non-certificated employees and 67 certificated full-time teaching personnel who provide services to 482 students and other community members. The School District currently operates 3 instructional buildings and 1 garage.

Reporting Entity:

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the Scioto County Career Technical Center are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Scioto County Career Technical Center, this includes general operations, food service, and student related activities of the School District.

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

The School District is associated with four organizations, of which two are defined as jointly governed organizations and two as insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), Scioto County Regional Council of Governments, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 13 and 14 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Scioto County Career Technical 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 more significant of the School District's accounting policies are described below.

Fund Accounting

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund

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

Permanent Improvement Fund

The Permanent Improvement Fund is used to account for the all transactions related to the acquiring, constructing, or improving of such permanent improvements.

Adult Education Fund

The Adult Education Fund is used to account for all revenues and expenditures related to the provision of credit and noncredit classes to the community.

Classroom Facilities Fund

The Classroom Facilities Fund is provided to account for monies received and expended in connection with contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants and other resources, debt service, and capital projects, whose use is restricted to a particular purpose.

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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements. The School District's only fiduciary fund is an agency fund which is used to account for student-managed activities.

Basis of Presentation

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

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges 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 School District. 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 School District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of 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.

Measurement Focus and Basis of Accounting

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

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

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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal 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 School District, available means expected to be received within sixty days of fiscal year end.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See Note 6.) Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from 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.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2009.

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

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrances is not reported on the government-wide financial statements. Encumbrances are reported as part of expenditures on a non-GAAP budgetary basis in the budgetary statements.

Cash and Cash Equivalents

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$197,963. Interest revenue credited to the Permanent Improvement and Classroom Facilities major capital projects funds was \$22,773 and \$47,293, respectively. All other non-major governmental funds amounted to \$21,771.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

The School District maintains a sinking fund for repayment of a lease-purchase agreement and this amount is reported as "Cash and Cash Equivalents with Escrow Agents" on the financial statements. The School District also maintains bank accounts to account for contractor retainage and these amounts are reported as "Cash and Cash Equivalents with Escrow Agents" on the financial statements.

Capital Assets and Depreciation

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand dollars. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives: Land Improvements - 5 years, Buildings and Improvements - 50 years, furniture, fixtures, and equipment (FF & E) - 8 to 20 years, vehicles - 10 to 15 years, and library and textbooks - 5 to 15 years.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits 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 in the current year. Loans and capital leases are recognized as a liability on the government-wide financial statements when due.

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 improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Net assets restricted for other purposes represent net assets restricted for grants.

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

Of the School District's \$3,783,133 of restricted net assets, none is restricted by enabling legislation.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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. Interfund transfers within governmental activities are eliminated in the statement of activities. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves

The School District records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves are established for encumbrances and property taxes. The reserve for property taxes represents taxes recognized as revenue under accounting principles generally accepted in the United States of America but not available for appropriations under State statute.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the Classroom Facilities Fund represent cash held as retainage for contractors. Restricted assets in the other governmental funds represent cash held with an escrow agent held for future lease payments.

Estimates

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

NOTE 3 – ACCOUNTABILITY

At June 30, 2009, the Chapter 2 and Drug Free Schools Special Revenue Funds had deficit fund balances of \$1,953 and \$2,479, respectively. Deficits were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) presented for the General Fund and Adult Education Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

	Net Change in Fund Balance	
	<u>General</u>	<u>Adult Education</u>
GAAP Basis	\$ (951,624)	\$ 210,135
Revenue Accruals	267,020	(19,783)
Expenditure Accruals	(192,062)	(217,082)
Encumbrances	<u>(66,093)</u>	<u>(33,556)</u>
Budget Basis	<u>\$ (942,759)</u>	<u>\$ (60,286)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash, in 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 has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must be either 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 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 monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or 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;

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
9. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code;
10. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
11. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which both the obligations are eligible for purchase by the federal reserve system and the obligations mature no later than one hundred eighty days after purchase.

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

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

Deposits Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2009, the School District's bank balance of \$1,773,701 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described above.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

	Carrying/Fair Value	Investment Maturities (in years)	
		Less than 1	3-5
Repurchase Agreement	\$ 1,501,000	\$ 1,501,000	\$ -
Money Market	1,120,700	1,120,700	-
Federal Home Loan Bank	1,543,130	-	1,543,130
Federal Farm Credit Bank	254,765	-	254,765
Federal Home Loan Mortgage Corporation	551,133	551,133	-
Total Fair Value	<u>\$ 4,970,728</u>	<u>\$ 3,172,833</u>	<u>\$ 1,797,895</u>

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits their investments to repurchase agreements, money market accounts, and U.S. Government Agency securities/instrumentalities. The Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation securities are all rated AAA by Standard & Poors and Aaa by Moody’s. Money market accounts were rated AAAM by Standard & Poors. Repurchase agreements were not rated.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The School District’s investment policy allows investments in repurchase agreements, certificates of deposit or within financial institutions within the State of Ohio as designated by the Federal Reserve Board. The School District has invested 30% in a repurchase agreement, 23% in money market accounts, 31% in Federal Home Loan Bank, 5% in Federal Farm Credit Bank, and 11% in Federal Home Loan Mortgage Corporation.

Custodial credit risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District’s securities are either insured and registered in the name of the School District or at least registered in the name of the School District, other than the School District’s repurchase agreements which 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 School District’s name.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are six and one-quarter percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 6 - PROPERTY TAXES (continued)

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

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District 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 to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2009. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations.

The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2009, was \$144,309 in the General Fund and \$42,024 in the Permanent Improvement Capital Projects Fund.

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

	<u>2008 Second- Half Collections</u>		<u>2009 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 808,231,180	87.77%	\$ 812,421,510	92.17%
Public Utility	70,710,300	7.68%	69,050,790	7.83%
Tangible Personal Property	<u>41,863,090</u>	<u>4.55%</u>	<u>-</u>	<u>0.00%</u>
Total Assessed Value	<u>\$ 920,804,570</u>	<u>100.00%</u>	<u>\$ 881,472,300</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$ 5.37		 \$ 5.37	

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009, consisted of property taxes, interfund, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<i>Major Fund</i>	
Classroom Facilities	\$ 828,148
<i>Non-major Funds</i>	
Onenet Ohio Program	6,397
Miscellaneous State Grant	3,072
Title V	413
Drug Free Grant	926
Improving Teacher Quality	1,338
Vocational Ed Amendment of 1968	<u>41,893</u>
Total Non-major Funds	<u>54,039</u>
Total All Funds	<u><u>\$ 882,187</u></u>

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 8 – CAPITAL ASSETS

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

	6/30/2008			6/30/2009
	Balance*	Additions	Deletions	Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 33,852	\$ -	\$ -	\$ 33,852
Construction in Progress	11,873,987	6,690,754	-	18,564,741
Total Capital Assets, Not Being Depreciated	11,907,839	6,690,754	-	18,598,593
Capital Assets Being Depreciated				
Land Improvements	567,834	-	-	567,834
Buildings & Improvements	3,810,965	-	-	3,810,965
FF & E	3,729,636	150,530	(89,895)	3,790,271
Vehicles	107,200	-	-	107,200
Library and Textbooks	292,612	-	-	292,612
Total Capital Assets Being Depreciated	8,508,247	150,530	(89,895)	8,568,882
Less: Accumulated Depreciation				
Land Improvements	(567,834)	-	-	(567,834)
Buildings & Improvements	(1,541,054)	(171,169)	-	(1,712,223)
FF&E	(2,424,309)	(36,268)	87,133	(2,373,444)
Vehicles	(30,729)	(4,403)	-	(35,132)
Library and Textbooks	(292,612)	-	-	(292,612)
Total Accumulated Depreciation	(4,856,538)	(211,840)	87,133	(4,981,245)
Total Capital Assets Being Depreciated, Net	3,651,709	(61,310)	(2,762)	3,587,637
Governmental Capital Assets, Net	\$ 15,559,548	\$ 6,629,444	\$ (2,762)	\$ 22,186,230

*As restated. See Note 20 to the basic financial statements.

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$ 186,040
Support Services:	
Pupils	2,412
Instructional Staff	644
Administration	3,671
Fiscal	3,070
Operation and Maintenance of Plant	8,522
Pupil Transportation	2,381
Operation of Non-Instructional Services	5,100
Total Depreciation Expense	\$ 211,840

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the School District contracted with Ohio School Plan (OSP), an insurance purchasing pool. Each participating school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. Coverages provided by OSP were as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$21,828,861
Boiler and Machinery (\$25,000 deductible)	21,828,861
Garage Keepers (\$250 deductible)	100,000
General Liability	
Per occurrence	1,000,000
General Aggregate	3,000,000
Automobile Liability (\$0 deductible)	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

For fiscal year 2009, the School District participated in the Ohio School Boards Association Workers' Compensation Group Grating Plan (the Plan), an insurance purchasing pool (Note 13). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the Plan.

A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling fund" arrangement ensures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The school districts apply for participation each year. The firm of Gates McDonald and Co. provides administrative, cost control, and actuarial services to the Plan. Each year, the School District pays an enrollment fee to the Plan to cover the costs of administering the program.

The School District is a member of the Scioto County Regional Council of Governments, a public entity risk pool (Note 14), consisting of school districts within the county offering medical and dental insurance to their employees. Monthly premiums are paid to the Scioto County Educational Service Center as fiscal agent, who in turns pays the claims on the School District's behalf.

NOTE 10 - DEFINED BENEFIT PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

A. Defined Benefit Pension Plans

School Employees Retirement System

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

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 - DEFINED BENEFIT PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2009, the allocation to pension and death benefits is 9.09 percent. The remaining 4.91 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Fund. The School District's contributions to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$142,386, \$101,432, and \$110,261, respectively; 45% has been contributed for fiscal year 2009 and 100% for the fiscal years 2008 and 2007.

State Teachers Retirement System

State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

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

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

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

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 - DEFINED BENEFIT PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

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

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

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

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. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members’ beneficiaries.

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

For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent. The School District’s required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$554,255, \$604,828, and \$491,642, respectively; 85% has been contributed for the fiscal year 2009 and 100% for the fiscal years 2008 and 2007.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio’s Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2009, three members of the Board of Education have elected Social Security. The Board’s liability is 6.2 percent of wages paid.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 - DEFINED BENEFIT PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (continued)

B. Postemployment Benefits

State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan, which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll free (888) 227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008 and 2007. For the School District, these amounts equaled \$42,360, \$45,996, and \$37,732 for fiscal years 2009, 2008, and 2007, respectively.

School Employees Retirement System

Postemployment Benefits

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

Medicare Part B Plan

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

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2009, 2008, and 2007, the actuarially required allocations were 0.75 percent, 0.66 percent, and 0.68 percent, respectively. For the School District, contributions for the fiscal years ended June 30, 2009, 2008, and 2007 were \$8,210, \$7,041, and \$7,123, respectively, which equaled the required contributions for those years.

Health Care Plan

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

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 - DEFINED BENEFIT PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2009, 2008, and 2007, the contributions assigned to health care were 4.16 percent, 4.18 percent, and 3.32 percent, respectively. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. At June 30, 2009, 2008, and 2007, the health care allocations were 4.16 percent, 4.18 percent, and 3.32 percent, respectively. For the School District, the amounts contributed to fund health care benefits, including the surcharge, during the 2009, 2008, and 2007 fiscal years equaled \$69,735, \$53,698, and \$51,975, respectively.

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

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

NOTE 11 - EMPLOYEE BENEFITS

A. 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 160 days for all personnel. Upon retirement, payment is made for thirty percent of accrued, but unused sick leave credit to a maximum of 48 days for classified employees and 48 days for certified employees.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Metropolitan Education Council.

NOTE 12 - LONG-TERM OBLIGATIONS

Scioto County Career Technical Center Construction Loan - On July 6, 2004, Scioto County Career Technical Center signed a loan agreement in the amount of \$219,000 for the purpose of assisting construction costs of workforce education facilities. The loan was issued for a fifteen year period with the final payment during fiscal year 2019. The debt will be retired from property taxes.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 12 - LONG-TERM OBLIGATIONS (continued)

Scioto County Career Technical Center Equipment Loan - On July 6, 2004, Scioto County Career Technical Center signed a loan agreement in the amount of \$281,000 for the purpose of assisting with the purchase of workforce education equipment. The loan was issued for a five year period with the final payment during fiscal year 2009. The debt will be retired from property taxes.

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

	Principal Outstanding 06/30/08	Additions	Deductions	Principal Outstanding 06/30/09	Due in One Year
Construction Loan 2004 0%	\$ 160,600	\$ -	\$ 14,600	\$ 146,000	\$ 14,600
Equipment Loan 2004 0%	56,200	-	56,200	-	-
Total Long-Term Loans	216,800	-	70,800	146,000	14,600
Capital Leases	3,150,000	-	-	3,150,000	-
Compensated Absences	635,111	599,581	635,111	599,581	119,974
Total General Long- Term Obligations	<u>\$ 4,001,911</u>	<u>\$ 599,581</u>	<u>\$ 705,911</u>	<u>\$ 3,895,581</u>	<u>\$ 134,574</u>

Principal and interest requirements to retire the general obligation debt at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 14,600	\$ -	\$ 14,600
2011	14,600	-	14,600
2012	14,600	-	14,600
2013	14,600	-	14,600
2014	14,600	-	14,600
2015-2019	73,000	-	73,000
Total	<u>\$ 146,000</u>	<u>\$ -</u>	<u>\$ 146,000</u>

The School District's voted legal debt margin was \$76,036,507 with an unvoted debt margin of \$881,472 at June 30, 2009.

NOTE 13 - GROUP PURCHASING POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan - The School District participates in a group rating plan for workers' compensation as established under section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (WCGRP) was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The WCGRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the WCGRP to cover the costs of administering the program.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 13 - GROUP PURCHASING POOLS

Ohio School Plan - The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated nonprofit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Jackson, Vinton, Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, and Lawrence Counties. 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 SCOCA 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. The School District paid SCOCA \$71,273 for services provided during the year. Financial information can be obtained from the Pike County JVS, Piketon, Ohio 45661.

Scioto County Regional Council of Governments - The Scioto County Regional Council of Governments, a public entity risk pool, currently operates to provide health insurance coverage to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Several Scioto County school districts have entered into an agreement with the Scioto County Educational Service Center to form the Scioto County Regional Council of Governments. The overall objectives of the Council are to formulate and administer a program of health insurance for the benefit of the Council members' employees and their dependents, to obtain lower costs for health coverage, and to secure cost control by implementing a program of comprehensive loss control. The Scioto County Regional Council of Governments, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board of Directors, consisting of superintendents from the participating school districts.

Accordingly, the Scioto County Regional Council of Governments is not part of the School District and its operations are not included as part of the reporting entity. To obtain financial information, write to the Scioto County Educational Service Center at Fourth and Court Streets, Portsmouth, Ohio 45662.

NOTE 15 - CONTINGENCIES

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

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During fiscal year 2006, the School District issued \$3,150,000 in Qualified Zone Academy Bonds (QZAB) to be used for acquiring equipment and making improvements to school buildings. The terms of these QZAB are structured as a non-certificated lease-purchase agreement. The terms for repayment of the lease-purchase agreement call for the School District to make annual deposits to a sinking fund held in the School District's name and to then make a final lease payment of \$3,150,000 in fiscal year 2021.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE (continued)

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

	Year Ending June 30,	
	2021	\$ 3,150,000
Total Minimum Lease Payments		3,150,000
Less: Amount Representing Interest		-
Present Value of Minimum Lease Payments		\$ 3,150,000

NOTE 17 - STATUTORY RESERVES

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

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

	Textbook Reserve	Capital Maintenance Reserve
Cash Balance July 01, 2008	\$0	\$0
Current Year Set-Aside Requirement	80,542	80,542
Prior Year Carryover	(3,147,977)	(3,028,603)
Qualifying Expenditures	(304,708)	(80,542)
Balance Carried Forward to FY 2009	(\$3,372,143)	(\$3,028,603)
Set Aside Reserve Cash Balance as of June 30, 2009	\$0	\$0

The School District had offset and qualifying disbursements during the year that reduced the set-aside amounts below zero in the Textbooks Reserve and the Capital Maintenance Reserve. The excess amounts may be carried forward and used to reduce the set-aside requirements of future years.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 18-INTERFUND ACTIVITY

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

<u>Interfund Transfers</u>	<u>Transfer From:</u>	<u>Transfer To:</u>
Major Funds:		
General	\$ 269,534	\$ -
Adult Education	-	198,000
Permanent Improvement	395,534	-
Non-major Funds:		
Bond	-	245,635
Food Service	-	70,100
Classroom Facilities Maintenance	-	149,899
Vocational Ed	-	1,434
Total Non-major Funds	<u>-</u>	<u>467,068</u>
Total	<u>\$ 665,068</u>	<u>\$ 665,068</u>

During the year, the School District's General Fund moved unrestricted monies into various other funds to subsidize operations. The Permanent Improvement Fund transferred tax levy proceeds to meet debt service requirements. The Permanent Improvement Fund also transferred monies to the Classroom Facilities Maintenance Fund in order to meet the maintenance reserve set aside required by the project agreement between the School District and the Ohio School Facilities Commission.

As of June 30, 2009, receivables and payables that resulted from various interfund transactions were as follows:

<u>Interfund Loans</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	\$ 59,743	\$ -
Adult Education Fund	-	39,000
Non-Major Special Revenue Funds		
Miscellaneous State Grant	-	13,633
Chapter 2	-	2,367
Drug Free Grant	-	3,405
Improving Teacher Quality	-	1,338
Total Non-Major Special Revenue Funds	<u>-</u>	<u>20,743</u>
Total Interfund Receivables/Payables	<u>\$ 59,743</u>	<u>\$ 59,743</u>

During the year, the School District's General Fund made advances to other funds in anticipation of intergovernmental grant revenue. These advances are expected to be repaid during fiscal year 2010.

Scioto County Career Technical Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 19 – CONTRACTUAL COMMITMENTS

The School District has been working on a construction project as part of the Ohio’s School Facilities Program. The following is a list of significant outstanding contractual commitments as of year end:

Roslovic	\$	665,663
West End		138,899
Mechanical Construction		136,337
BBE		88,487
Nor-Com		61,496
		\$ 1,090,882

NOTE 20 – RESTATEMENT OF NET ASSETS/FUND BALANCES

Errors were identified in the accumulated depreciation balance of textbooks and library books that resulted in a restatement of beginning net asset balances. Errors were also identified in intergovernmental payable balances that resulted in restatement of beginning net assets and fund balances. Those restatements had the following affect on net assets/fund balances:

	Governmental Activities	General Fund	Adult Education Fund	Other Governmental Funds
Net Assets/Fund Balances, June 30, 2008	\$24,552,671	\$3,562,250	\$340,434	\$613,836
Restatements	(198,951)	(80,010)	(24,874)	(3,523)
Net Assets/Fund Balances, As Restated, June 30, 2008	\$24,353,720	\$3,482,240	\$315,560	\$610,313

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

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through The Ohio Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 41,171	\$ 41,171
National School Lunch Program			
Cash Assistance	10.555	97,256	97,256
Non-Cash Assistance (Food Distribution)	10.555	8,606	8,606
National School Lunch Program Subtotal		105,862	105,862
Total - Child Nutrition Cluster		147,033	147,033
<i>Cash Assistance Subtotal</i>		138,427	138,427
<i>Non-Cash Assistance (Food Distribution) Subtotal</i>		8,606	8,606
U.S. DEPARTMENT OF EDUCATION			
<i>Direct from the Federal Government:</i>			
Student Financial Aid Cluster:			
Non Cash Assistance (Federal Family Education Loan Program)	84.032	650,891	650,891
Federal Pell Grant Program	84.063	564,968	564,968
Total - Student Financial Aid Cluster		1,215,859	1,215,859
Rural Education	84.358	3,060	1,487
Total - Rural Education		3,060	1,487
<i>Passed through the Ohio Department of Education:</i>			
VOCED Basic Grant	84.048	452,037	447,613
Total - VOCED Basic Grant		452,037	447,613
Title IV - Safe and Drug Free Schools	84.186	1,175	1,029
Total - Title IV Safe and Drug Free Schools		1,175	1,029
Title V - Innovative Education Program Strategies	84.298	1,387	459
Total - Title V - Innovative Education Program Strategies		1,387	459
Title II A - Professional Development	84.340	3,060	1,487
Total - Title II A - Professional Development		3,060	1,487
Total - U.S. Department of Education		1,676,578	1,667,934
Total Federal Financial Assistance		\$ 1,823,611	\$ 1,814,967

The accompanying notes to this schedule are an integral part of this statement.

**SCIOTO COUNTY CAREER TECHNICAL CENTER
SCIOTO COUNTY**

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

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the Center's federal award programs. The Schedule has been prepared on the cash basis of accounting.

Note B – Food Donation

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the United States Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Note C – Guaranteed Student Loans

Non-monetary assistance is reported in the schedule at the dollar amount of the guaranteed student loan disbursed.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

December 28, 2009

Scioto County Career Technical Center
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate fund information of the **Scioto County Career Technical Center, Scioto County, Ohio** (the Center) as of and for the year ended June 30, 2009, which collectively comprise the Center's basic financial statements as listed in the table of contents and have issued our report dated December 28, 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 Center's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Center's internal control over financial reporting.

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

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 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 Center's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

Internal Control over Financial Reporting (Continued)

We consider the following deficiency described in the accompanying schedule of audit findings to be a significant deficiency in internal control over financial reporting: 2009-001.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We do not believe the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Center's basic 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*.

The Center's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Center's response and, accordingly, we express no opinion on it.

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

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

December 28, 2009

Scioto County Career Technical Center
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board of Education:

Compliance

We have audited the compliance of **Scioto County Career Technical Center, Scioto County, Ohio** (the Center) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the Center's major federal programs. The 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 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 one of the major federal programs. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control over Compliance

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

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 federal programs compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Center's ability to administer a federal programs such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-consequential noncompliance with a federal programs compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that the Center's internal control will not prevent or detect material noncompliance with federal programs' 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 the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**SCIOTO COUNTY CAREER TECHNICAL CENTER
SCIOTO COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(I)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(I)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(I)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(I)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(I)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(I)(vii)</i>	Major Programs (list):	Student Financial Aid Cluster: Federal Pell Grant Program, CFDA #84.063, Federal Family Education Loan Program, CFDA #84.032 VOCED Basic Grant, CFDA #84.048
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(I)(ix)</i>	Low Risk Auditee?	No

**SCIOTO COUNTY CAREER TECHNICAL CENTER
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2009
(CONTINUED)**

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

FINDING NUMBER 2009-001

Significant Deficiency

Financial Monitoring

Sound financial reporting is the responsibility of the Center's Management, and it is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decrease the reliability of financial data throughout the year.

The following audit adjustments were made to the financial statements:

- Restatement of Net Assets/Fund Balances at June 30, 2009 for prior year overstatement of accumulated depreciation balances of textbooks and library books and intergovernmental payables.

A lack on controls over financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data at year-end.

We recommend the Center adopt policies and procedures for controls over year-end financial reporting to help ensure the information accurately reflects the activity of the Center, thereby increasing the reliability of the financial data at year-end. Although the Center has contracted a third party to perform its GAAP conversion, the Center's management must review the statements to be sure that all items are being properly recorded.

Management's Response - Our internal controls did catch the errors this year which resulted in the prior-period adjustment. We knew this could result in a citation, but we felt more it was much more important to make the corrections this year and accurately report our financial statements. We will continue to review, update, and implement our internal controls in the future.

3. FINDINGS FOR FEDERAL AWARDS

None

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

December 28, 2009

Scioto County Career Technical Center
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on January 8, 2008.
2. We read the policy, noting it included the following requirements from Ohio Revised 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 includes the definition in division (A) of Ohio Revised 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 of the Constitution of the United States;
- (10) A requirement that the Center's administration semiannually provide the president of the Center's Board a written summary of all reported incidents and post the summary on its 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.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
Auditor of State

SCIOTO COUNTY CAREER TECHNICAL CENTER

SCIOTO 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
FEBRUARY 18, 2010**