



**Mary Taylor, CPA**  
Auditor of State



**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Net Assets .....	9
Statement of Activities.....	10
Balance Sheet – Governmental Funds .....	11
Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	14
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	15
Notes to the Basic Financial Statements .....	17
Budgetary Comparison Schedule – General Fund .....	35
Notes to the Required Supplementary Information.....	36
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	37
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	39

**THIS PAGE INTENTIONALLY LEFT BLANK**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Tolles Career and Technical Center  
Madison County  
7877 U.S. Highway 42 South  
Plain City, Ohio 43064-9554

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 the Tolles Career and Technical Center, Madison County, Ohio (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 the Tolles Career and Technical Center, Madison County, Ohio, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2009, on our consideration of the District'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 and the General Fund Budgetary Comparison Schedule are not a required part of the basic financial statements but are 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 them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

December 15, 2009

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

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

**Financial Highlights**

Key financial highlights for 2009 are as follows:

*Overall:*

- Total net assets in Governmental Activities were \$20,793,967, an increase of \$1,151,466 from the comparable amount at June 30, 2008.
- The General Fund reported a positive fund balance of \$8,123,933 according to the Balance Sheet.
- In the current fiscal year the District completed a \$9,500,000 facilities renovation & expansion project which was started in fiscal 2007. This project was partially funded by unvoted general obligation bonds.
- In the 2007 fiscal year, the Madison County Budget Commission approved the reinstatement of the portion of the District's effective millage which was temporarily reduced in January, 2003. Effective January 1, 2007, the District's effective property tax millage was increased from .5 mills to 1.3 mills. This reinstatement of millage results in an approximate annual increase in annual property tax revenues of approximately \$3.1 million.

**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 District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

***Reporting the District as a Whole***

*Statement of Net Assets and the Statement of Activities*

The statement of net assets and the statement of activities reflect how the District did financially during fiscal year 2009. 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 considers all of the current fiscal years' revenues and expenses regardless of when cash is received or paid.

These statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors include the 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*, the District reports on the following activity type:

- Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. These services are primarily funded by property tax revenues and from intergovernmental revenues, including federal and state grants and other shared revenues.

***Reporting the District's Most Significant Funds***

*Fund Financial Statements*

Fund financial reports provide detailed information about the District's major funds. While the District uses many funds to account for its financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and Capital Projects Fund.

***Governmental Funds:*** The District's governmental funds are used to account for the same programs reported as governmental activities on the government-wide financial statements. The District's basic services are reported in these funds and focus on how money flows into and out of those funds as well as the balances available for spending at fiscal year end. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's operations. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions.



**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the District's programs. These funds use the accrual basis of accounting.

**The District as a Whole**

The District's financial health continues to be demonstrated by its increase of net assets of \$1.2 million. The District's Net Asset balance at June 30, 2009 was \$20.8 million, with \$8.0 million in unrestricted net assets available to meet future District obligations.

<b>Net Assets - Governmental Activities</b>		
	<u>2009</u>	<u>2008</u>
Other assets	\$ 14,832,759	\$ 19,967,049
Capital Assets, net	<u>18,658,005</u>	<u>14,238,133</u>
Total assets	<u>33,490,764</u>	<u>34,205,182</u>
Other liabilities	5,969,143	7,157,713
Long-term liabilities	<u>6,727,654</u>	<u>7,404,968</u>
Total liabilities	<u>12,696,797</u>	<u>14,562,681</u>
Net Assets:		
Invested in capital, net of debt	12,533,144	8,498,480
Restricted	255,904	3,056,064
Unrestricted	<u>8,004,919</u>	<u>8,087,957</u>
Total net assets	<u>\$ 20,793,967</u>	<u>\$ 19,642,501</u>

Current assets decreased while noncurrent assets increase primarily due to the use of 2008 funds on hand to complete the \$9.5 million facilities renovation & expansion project in the current year.

Total liabilities decreased by \$1.9 million at June 30, 2009 as compared to the amount reported at June 30, 2008 due to the initial repayment of debt issuance, the reduction of accounts payable related to prior year construction project and a decrease in unearned revenue related to a decrease in the related property tax receivable.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Change in Net Assets - Governmental Activities**

	<u>2009</u>	<u>2008</u>
<b>Program revenues:</b>		
Charges for services	\$ 600,561	\$ 612,192
Operating grants	639,051	469,183
<b>General revenues:</b>		
Property taxes	7,988,896	7,553,050
Grants and entitlements	3,232,217	3,072,497
Other	<u>514,524</u>	<u>783,045</u>
Total revenues	<u>12,975,249</u>	<u>12,489,967</u>
<b>Program expenses:</b>		
Instructional:		
Regular	1,542,196	1,439,022
Special	866,933	752,313
Vocational	3,942,746	4,060,073
Adult/Continuing	179,765	264,446
Other	137,677	86,072
Support services:		
Pupils	1,040,450	998,239
Instructional staff	900,116	931,955
Board of education	60,629	48,138
Administration	940,512	1,070,627
Fiscal	341,661	369,927
Operation & maintenance of plant	1,306,964	1,223,537
Pupil transportation	16,036	22,071
Central	22,792	54,522
Operation of non-instructional services	230,234	268,047
Extra-curricular activities	34,495	35,558
Interest	<u>260,577</u>	<u>213,101</u>
Total expenses	<u>11,823,783</u>	<u>11,837,648</u>
<b>Increase in Net Assets</b>	<u>\$ 1,151,466</u>	<u>\$ 652,319</u>

Property taxes and grants and entitlement represent 86.5 percent of total District revenues. Program revenues for governmental activities are 9.6 percent of total revenues and are primarily represented by charges for tuition and fees and restricted intergovernmental revenues.

The major program expense for governmental activities is for instruction, which is 56.4 percent of all governmental expenses. Total District expenses in 2009 were approximately the same as 2008 expenses.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Governmental Activities**

The table below indicates the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlement.

Programs	Total Cost of Services		Net Cost of Service	
	2009	2008	2009	2008
Instruction	\$ 6,669,317	\$ 6,601,926	\$ 5,754,181	\$ 5,784,872
Support services:				
Pupil and instructional staff	1,940,566	1,930,194	1,897,003	1,888,831
Board of education, administration, fiscal and business	1,342,802	1,488,692	1,342,802	1,488,692
Operation & maintenance of plant	1,306,964	1,223,537	1,306,964	1,223,537
Pupil transportation	16,036	22,071	16,036	22,071
Central	22,792	54,522	19,792	51,522
Operation of non-instructional services	230,234	268,047	(47,679)	48,089
Extracurricular activities	34,495	35,558	34,495	35,558
Interest	260,577	213,101	260,577	213,101
Total	<u>\$ 11,823,783</u>	<u>\$ 11,837,648</u>	<u>\$ 10,584,171</u>	<u>\$ 10,756,273</u>

Of the total revenue from governmental activities, 61.6 percent of the revenue is from local taxes, which 25 percent of the revenue is from state entitlements.

**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,863,333 and expenditures of \$16,875,520 in 2009. This deficiency of revenues under expenditures is a result of capital outlay expenditures related to the major capital improvement project that was started in fiscal 2007 and completed in fiscal 2009. The net change in fund balance in the General fund for the year was a decrease of \$271,538, while the Capital Projects fund balance decreased by \$3,834,751. These changes were primarily a result of expenditures for the aforementioned capital improvement project.

**General Fund Budgeting Highlights**

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

During the course of fiscal 2009, the District amended its general fund budget as needed.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

Final budgeted expenditures in the amount of \$16,315,182 were \$5,814,171 above actual expenditures. The District generally over appropriates in case unexpected expenditures arise during the fiscal year. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$10,501,011, \$981,199 below revenues.

**Capital Assets**

At the end of fiscal 2009, the District had \$18,658,005 invested in land, buildings, equipment, and vehicles (net of accumulated depreciation); all in governmental activities. Beginning in late fiscal year 2007 the District began a \$9,500,000 construction & renovation project that was funded by the issuance of \$6.5 million various purpose general obligation bonds and available cash balances. See Debt below.

Note 6 provides additional details regarding capital assets.

**Debt**

On September 27, 2007 the Board of Education issued \$6,590,000 in un-voted general obligations bonds for the purpose of renovating, constructing and improving the existing school facilities. \$650,000 of these bonds were for the purchase and installation of energy conservation measures. In fiscal 2009 the District made principal payments of \$535,000 on the aforementioned debt.

**Current Issues**

The District remains stable in a declining economy and uncertainty in State funding. The District covers a diverse area that includes suburban residential areas as well as farming communities in Franklin, Madison, Union, Delaware and Fayette Counties.

The District has maintained an excellent financial position over the last 30 years. In 1972, a 1.8 mill continuing levy was passed. Because of significant growth in the District over the years the millage had been reduced. The last reduction was from 1.1 mill to .5 mill effective January 1, 2003. Effective January 1, 2007, the District's effective property tax millage was increased from .5 mills to 1.3 mills.

**Contacting the District's Financial Office**

This financial report is designed to provide our citizens, tax payers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for monies it receives. Questions concerning any information in this report or requests for additional information should be directed to Pamela J. Orr, Treasurer, 7877 US Highway 42 South, Plain City, Ohio 43064.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Equity in pooled cash and cash equivalents -	
Cash & investments	\$ 6,613,128
Materials and supplies inventory	39,848
Accounts receivable	104,959
Due from other governments	49,077
Prepaid items	8,101
Property taxes receivable	7,909,047
Deferred charges	108,599
Nondepreciable capital assets	150,000
Depreciable capital assets, net	<u>18,508,005</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 33,490,764</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 55,571
Accrued wages and benefits	878,474
Due to other governments	150,530
Interest payable	20,299
Retainage payable	77,885
Unearned revenue	4,786,384
Long-term Liabilities:	
Due within one year	668,884
Due in more than one year	<u>6,058,770</u>
<b>TOTAL LIABILITIES</b>	<b><u>12,696,797</u></b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	12,533,144
Restricted for:	
Capital projects	159,499
Other purposes	96,405
Unrestricted	<u>8,004,919</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 20,793,967</u></b>

The notes to the financial statements are an integral part of this statement.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

**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
<b>Governmental Activities</b>				
Instructional services:				
Regular	\$ 1,542,196	-	78,296	(1,463,900)
Special	866,933	-	336,304	(530,629)
Vocational	3,942,746	156,080	69,481	(3,717,185)
Adult/Continuing	179,765	249,128	25,847	95,210
Other	137,677	-	-	(137,677)
Support services:				
Pupils	1,040,450	-	10,851	(1,029,599)
Instructional staff	900,116	-	32,712	(867,404)
Board of education	60,629	-	-	(60,629)
Administration	940,512	-	-	(940,512)
Fiscal	341,661	-	-	(341,661)
Operation & maintenance of plant	1,306,964	-	-	(1,306,964)
Pupil transportation	16,036	-	-	(16,036)
Central	22,792	-	3,000	(19,792)
Operation of Non-Instructional services	230,234	195,353	82,560	47,679
Extracurricular student activities	34,495	-	-	(34,495)
Interest	260,577	-	-	(260,577)
Totals	\$ 11,823,783	600,561	639,051	(10,584,171)

General revenues:

Property taxes levied for -	
General purposes	7,988,896
Grants and entitlements not restricted to specific programs	3,232,217
Investment earnings	239,311
Miscellaneous	275,213
Total general revenues	11,735,637
Change in Net Assets	1,151,466
Net Assets Beginning of Year	19,642,501
Net Assets End of Year	\$ 20,793,967

The notes to the financial statements are an integral part of this statement.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

	General	Capital Projects	Other Governmental Funds	Total
<b>ASSETS</b>				
Equity and Pooled Cash and Cash Equivalents	\$ 6,159,326	\$ 256,011	\$ 197,791	\$ 6,613,128
Materials and supplies inventory	32,818	-	7,030	39,848
Accounts receivable	88,273	-	16,686	104,959
Interfund receivable	54,502	-	-	54,502
Intergovernmental receivable	-	-	49,077	49,077
Prepaid items	8,101	-	-	8,101
Property taxes receivables	7,909,047	-	-	7,909,047
<b>TOTAL ASSETS</b>	<b>\$ 14,252,067</b>	<b>\$ 256,011</b>	<b>\$ 270,584</b>	<b>\$ 14,778,662</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 23,072	\$ 18,627	\$ 13,872	\$ 55,571
Accrued wages and benefits	798,942	-	79,532	878,474
Intergovernmental payables	129,155	-	21,375	150,530
Interfund payable	-	-	54,502	54,502
Retainage payable	-	77,885	-	77,885
Deferred revenue	5,173,278	-	-	5,173,278
Compensated absences	3,687	-	-	3,687
<b>TOTAL LIABILITIES</b>	<b>6,128,134</b>	<b>96,512</b>	<b>169,281</b>	<b>6,393,927</b>
<b>FUND BALANCES</b>				
Reserved for encumbrances	147,495	80,237	21,779	249,511
Reserved for inventory	32,818	-	7,030	39,848
Reserved for future appropriations	2,735,769	-	-	2,735,769
Unreserved, reported in:				
General fund	5,207,851	-	-	5,207,851
Special Revenue funds	-	-	72,494	72,494
Capital Projects funds	-	79,262	-	79,262
<b>TOTAL FUND BALANCES</b>	<b>8,123,933</b>	<b>159,499</b>	<b>101,303</b>	<b>8,384,735</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 14,252,067</b>	<b>\$ 256,011</b>	<b>\$ 270,584</b>	<b>\$ 14,778,662</b>

The notes to the financial statements are an integral part of this statement.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Total Governmental Fund Balances** \$ 8,384,735

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

Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds. 18,658,005

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Property taxes	386,894
Deferred charges, net	108,599

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Interest payable	(20,299)
Compensated absences	(490,507)
Premium, net	(112,936)
Bonds payable	(6,055,000)
Capital lease obligations	(65,524)

**Net Assets of Governmental Activities** \$ 20,793,967

The notes to the financial statements are an integral part of this statement.



**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

	General	Capital Projects	Other Governmental Funds	Total
<b>REVENUES:</b>				
Taxes	\$ 7,930,060	\$ -	\$ -	\$ 7,930,060
Intergovernmental	3,232,217	-	639,051	3,871,268
Interest	239,311	-	-	239,311
Tuition and fees	156,080	-	249,128	405,208
Charges for services	-	-	195,353	195,353
Miscellaneous	202,402	-	19,731	222,133
<b>TOTAL REVENUES</b>	<b>11,760,070</b>	<b>-</b>	<b>1,103,263</b>	<b>12,863,333</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional services:				
Regular	1,499,983	-	34,960	1,534,943
Special	521,168	-	335,908	857,076
Vocational	3,713,557	-	74,027	3,787,584
Adult/Continuing	-	-	231,946	231,946
Other instruction	131,718	-	5,959	137,677
Support services:				
Pupils	994,309	-	49,904	1,044,213
Instructional staff	1,058,668	-	29,043	1,087,711
Board of education	60,629	-	-	60,629
Administration	749,491	-	188,704	938,195
Fiscal	358,351	-	-	358,351
Operation & maintenance of plant	1,303,583	-	-	1,303,583
Pupil transportation	16,036	-	-	16,036
Central	25,763	-	3,000	28,763
Operation of Non-Instructional services	-	-	255,283	255,283
Extracurricular	34,033	-	-	34,033
Debt service:				
Principal repayment	17,723		535,000	552,723
Interest	7,220		255,618	262,838
Capital outlay	37,185	4,346,751	-	4,383,936
<b>TOTAL EXPENDITURES</b>	<b>10,529,417</b>	<b>4,346,751</b>	<b>1,999,352</b>	<b>16,875,520</b>
<i>Excess (deficiency) of revenues over expenditures</i>	1,230,653	(4,346,751)	(896,089)	(4,012,187)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	512,000	1,043,271	1,555,271
Transfers out	(1,555,271)	-	-	(1,555,271)
Sale of capital Assets	53,080	-	-	53,080
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,502,191)</b>	<b>512,000</b>	<b>1,043,271</b>	<b>53,080</b>
<b>NET CHANGE IN FUND BALANCES</b>	(271,538)	(3,834,751)	147,182	(3,959,107)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	8,395,471	3,994,250	(45,879)	12,343,842
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 8,123,933</b>	<b>\$ 159,499</b>	<b>\$ 101,303</b>	<b>\$ 8,384,735</b>

The notes to the financial statements are an integral part of this statement.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Net Changes in Fund Balances - Total Governmental Funds** \$ (3,959,107)

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

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

Capital outlay	\$ 5,320,625	
Depreciation	<u>738,622</u>	4,582,003

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	58,836
---	--------

Repayment of bonds and lease payable are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net assets and does not result in expenses in the statement of activities.	552,723
---	---------

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due.	2,006
--	-------

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.

Compensated absences		76,881
Loss on disposal of assets		(162,131)
Amortization, net		
Amortization of bond premium	6,643	
Amortization of bond issuance costs	<u>(6,388)</u>	
Amortization, net		255

<b>Change in Net Assets of Governmental Activities</b>	<u><u>\$ 1,151,466</u></u>
--	----------------------------

The notes to the financial statements are an integral part of this statement.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2009**

	<u>Agency</u>
<b>ASSETS</b>	
Equity in pooled cash and cash equivalents	\$ 14,665
<i>TOTAL ASSETS</i>	<u>14,665</u>
<b>LIABILITIES</b>	
Due to Others	14,665
<i>TOTAL LIABILITIES</i>	<u>\$ 14,665</u>

The notes to the financial statements are an integral part of this statement.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 1. Description of the School District and Reporting Entity**

**Reporting Entity**

The Tolles Career & Technical District (the District) was organized in 1972 under Section 3311.18 of the Ohio Revised Code. The District is a fiscally independent political subdivision of the State of Ohio. The District is governed by a seven member Board of Education. Board of Education members are appointed from the membership of the following seven Boards of Education: Dublin City School District, Fairbanks Local School District, Hilliard City School District, Jefferson Local School District, Jonathan Alder Local School District, London City School District, and Madison-Plains Local School District. The District had been supported by a 1.6 mill continuing operating levy passed in 1972 and by funds from the State of Ohio Joint Vocational School Foundation Program. At the request of the District's Board of Education, the Madison County Budget Commission reduced the District's continuing operating mills to .5 mills effective January, 2003. On November 20, 2006, the Madison County Budget Commission agreed to reinstate the District's millage to 1.3 mills effective January 1, 2007.

The District provides job training leading to employment upon graduation from high school. The District fosters cooperative relationships with business and industry, professional organizations, participating school districts, and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

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

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

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan, an insurance purchasing pool and with the Metropolitan Educational Council (MEC), a jointly governed organization. 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 District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

**A. Basis of Presentation**

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

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the 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 the governmental activities of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are reported in two categories: governmental and fiduciary.

**Governmental Fund Types**

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

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting (Continued)**

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

Capital Projects Fund - This fund is used to account for financial resources and expenditures related to significant capital improvement projects except those accounted for in the General fund.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Fund Types

Fiduciary fund reporting focuses on net assets and changes in net assets. The District's fiduciary fund is an agency fund. An agency fund is purely custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District's agency fund accounts for student activities.

**C. Measurement Focus/Basis of Accounting**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the 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 reflects 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 fund statements for governmental funds.

**D. Basis of Accounting**

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

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

**D. Basis of Accounting (Continued)**

**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 the 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 District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange 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 year-end: property taxes available as an advance, tuition, grants, and fees.

**Unearned Revenue**

Unearned 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 year 2010 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

**Expenses/Expenditures**

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

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



**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

**E. Cash and Investments**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". During the fiscal year all investments were limited to certificates of deposit, repurchase agreements, the State Treasury Asset Reserve of Ohio (STAR Ohio) and federal agency securities.

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

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

Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**F. Inventories**

Inventories are presented at cost which is determined on a first-in, first-out basis. Inventory is recorded as an expenditure/expense when used.

Inventories consist of donated and purchased food, and supplies held for resale, and materials and supplies for consumption.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items.

**H. Capital Assets**

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values on the date donated. The District maintains capitalization at \$300. The District does not have any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

**H. Capital Assets (Continued)**

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

<u>Description</u>	<u>Estimated Lives</u>
Building and Building Improvements	15 – 30 years
Furniture and Fixtures	5 – 20 years
Vehicles	5 – 15 years
Equipment	6 – 20 years

**I. Interfund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as interfund receivables/payables. Interfund balances within governmental activities are eliminated on the government wide statement of net assets.

**J. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits as well as those that are probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. Capital leases are recognized as a liability on the fund financial statements when due.

**L. Interfund Transactions**

Transfers within governmental activities are eliminated on the government-wide financial statements.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 2. Summary of Significant Accounting Policies (Continued)**

**L. Interfund Transactions (Continued)**

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

**M. Fund Balance Reserves and Designations**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balances are reserved for supplies inventory, encumbrances and future appropriations. The reserve for future appropriation represents the amount of the property taxes available for advance and recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The District is prohibited by law from appropriating the advance, since it was not received, for the current fiscal year. The unreserved portions of fund equity reflected for the Governmental Funds are available for use within the specific purposes of those funds.

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**O. Estimates**

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

**Note 3. Cash and Investments**

**A. Cash**

The investment and deposit of the District's monies is governed by the provisions of the ORC. In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAROhio.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 3. Cash and Investments (Continued)**

**A. Cash (Continued)**

During fiscal year 2009, investments were limited to STAROhio, repurchase agreements, CDs, and federal agency securities. Earnings on investments are credited to the General Fund except earnings specifically related to the Capital Projects Fund, Food Service Fund, and the Agency Fund which is in compliance with ORC Section 3315.01. In fiscal 2009 total investment income of \$239,311 was recorded in the General Fund.

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

According to state law, public depositories must give security for all public funds on deposit. 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. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. During 2009, the District and public depositories complied with the provisions of these statutes.

**B. Deposits with Financial Institutions**

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

At June 30, 2009, the carrying amount of all District deposits, inclusive of \$5,500,000 in certificates of deposits, was \$6,627,793. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2009, \$6,159,220 of the District's bank balance of \$6,909,220 was exposed to custodial risk as discussed above, while \$750,000 was covered by Federal Deposit Insurance Corporation. Additionally the District had \$1,010 of cash on hand.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Note 3. Cash and Investments (Continued)**

**C. Investments**

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

Investment type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
STAR Ohio	\$ 99,564	\$ 99,564	-	-	-

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District limits investment portfolio maturities to two years or less.

*Credit Risk.* The District does not have a formal policy limiting credit risk. Standard & Poor's has assigned Star Ohio an AAAM money market rating.

*Concentration of Credit Risk.* The District places no limit on the amount that may be invested in any one issuer.

**Note 4. Property Tax**

Property taxes are levied, assessed and collected on a calendar year basis, while the District's fiscal year runs from July through June. They include amounts levied against all real, public utility, and tangible personal property located in the member's District boundaries. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20. If paid semi-annually, the first payment is usually due January 20, with the remainder payable June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for taxation purposes at 12.5 percent of its true value. Amounts paid by multi-county taxpayers may be paid annually or semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Beginning in tax year 2006, the tax on tangible personal property is being phased out for most businesses. In tax year 2006, the assessment percentage for machinery and equipment, inventory, and furniture and fixtures was reduced to 18.75 %; in tax year 2007, to 12.5%; in tax year 2008, 6.5%; and for tax year 2009 and thereafter, 0%.

Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100 percent of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Note 4. Property Tax (Continued)**

The District receives property taxes from Madison, Franklin, Union, Delaware and Fayette Counties. Tax settlements are made each February and August for real property and each June and October for personal property taxes.

Accrued property taxes receivable includes the late personal property tax settlement, real property, public utility property, and tangible personal property taxes which were measurable as of fiscal year end, and for which there was an enforceable legal claim. 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 and is reflected as revenue at fiscal year end. The receivable is offset by a credit to unearned revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2009 was \$2,735,769 in the General Fund. Accrued property taxes receivable also includes amounts for any late personal property tax settlements made by the Counties.

On the full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue. On the modified accrual basis, the revenue is deferred.

The full tax rate at the fiscal year ended June 30, 2009 for operations was \$1.30 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property on which the fiscal year 2009 taxes were collected were as follows:

Real Property - Commercial/Industrial	\$	1,468,734,360
Real Property - Residential/Agricultural		4,866,405,630
Personal Property - General		165,028,102
Total Assessment Vaue	<u>\$</u>	<u>6,500,168,092</u>

**Note 5. Receivables**

Receivables at June 30, 2009 consisted of taxes, accounts (tuition and student fees), interest, and intergovernmental grants and entitlements. 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 guarantee of federal funds.

A summary of the principal items of Intergovernmental Receivables follows:

<b>Governmental Activities</b>	<u>Amount</u>
Other Governmental Funds:	
Adult Education	\$ 2,250
Misc. State Grants	1,340
Carl D. Perkins Grant	33,707
Misc. Federal Grants	5,033
Food Service	6,747
Total Governmental Activities	<u>\$ 49,077</u>

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Note 6. Capital Assets**

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

	Balance June 30, 2008	Additions	Disposals	Transfers	Balance June 30, 2009
Capital Assets used in:					
<b>Governmental Activities</b>					
Nondepreciable capital assets-					
Land	150,000	-	-	-	150,000
Construction in progress	5,001,813	107,178	-	(5,108,991)	-
Total nondepreciable capital assets	<u>5,151,813</u>	<u>107,178</u>	<u>-</u>	<u>(5,108,991)</u>	<u>150,000</u>
Depreciable capital assets:					
Building and building improvements	12,654,834	3,945,535	-	5,108,991	21,709,360
Furniture and equipment	5,725,406	1,267,912	296,039	-	6,697,279
Vehicles	429,967	-	219,146	-	210,821
Total depreciable capital assets	<u>18,810,207</u>	<u>5,213,447</u>	<u>515,185</u>	<u>5,108,991</u>	<u>28,617,460</u>
Accumulated depreciation:					
Building and building improvements	6,510,749	291,564	-	-	6,802,313
Furniture and equipment	3,003,752	437,557	230,088	-	3,211,221
Vehicles	209,386	9,501	122,966	-	95,921
Total accumulated depreciation	<u>9,723,887</u>	<u>738,622</u>	<u>353,054</u>	<u>-</u>	<u>10,109,455</u>
Total depreciable capital assets, net	<u>9,086,320</u>	<u>4,474,825</u>	<u>162,131</u>	<u>5,108,991</u>	<u>18,508,005</u>
Total governmental activities capital assets, net	<u>14,238,133</u>	<u>4,582,003</u>	<u>162,131</u>	<u>-</u>	<u>18,658,005</u>

Depreciation expense was charged to governmental functions as follows:

Instructional:	
Regular	\$ 24,297
Special	4,249
Vocational	542,900
Adult/Continuing	1,105
Support services:	
Pupil	25,512
Instructional staff	54,743
Administration	20,036
Fiscal	1,615
Operation and maintenance of plant	51,734
Central	139
Other operation of non-instructional services	11,830
Extra curricular activities	462
Total depreciation	<u>\$ 738,622</u>

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Note 7. Long-Term Obligations**

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

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amount due in One Year
<b>Governmental Activities</b>					
General obligations bonds	\$ 6,590,000	\$ -	\$ 535,000	\$ 6,055,000	\$ 605,000
Premium on issuance of general obligations bonds	119,579	-	6,643	112,936	6,643
Capital Leases Payable	83,247		17,723	65,524	19,500
Compensated absences payable	612,142	-	121,635	490,507	34,054
Total Governmental Activities Long-Term Obligations	<u>\$ 7,404,968</u>	<u>\$ -</u>	<u>\$ 681,001</u>	<u>\$ 6,723,967</u>	<u>\$ 665,197</u>
Current compensated absences payable					3,687
Amount due in one year on the Statement of Net Assets					<u>\$668,884</u>

On September 27, 2007 the Board of Education issued \$6,590,000 in un-voted general obligation bonds for the purpose of renovating, constructing and improving the existing school facilities. A portion of these bonds, \$650,000, were for the purchase and installation of energy conservation measures, which were initially, paid from existing General Fund monies.

As a result, proceeds of \$650,000 were recorded in the General Fund. Bond issuance costs of \$121,375 were incurred in conjunction with the issuance. The effective interest rate on the bonds outstanding is 3.8%.

The following is a schedule of the future annual debt service requirements for the general obligation bonds:

Year	Principal
2010	\$ 605,000
2011	630,000
2012	655,000
2013	680,000
2014	705,000
2015-2018	2,780,000
Total	<u>\$ 6,055,000</u>



**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

**Note 8. Capital Leases**

The District entered into a capital lease agreement in fiscal 2007 and retired a previous agreement early. The new agreement is for five copiers and one fax machine with a total value of \$ 101,893. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Principal payments made from governmental funds on the leases in 2009 and 2008 were \$17,723 and \$17,382, respectively.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments of June 30, 2008:

Year	Governmental Activities
2010	\$ 24,943
2011	24,943
2012	25,881
Total	75,767
Less: Amount representing interest	(10,243)
Present Value of Net Minimum Lease Payments	\$ 65,524

**Note 9. Interfund Assets/Liabilities**

As of June 30, 2009, the General Fund had an interfund receivable in the amount of \$54,502. The Adult Education, Lunchroom, Fifth Quarter State Grant, and the CDP Federal Grant, special revenue funds had interfund payables in the amounts of \$1,000, \$2,000, \$6,502, and \$45,000, respectively, resulting from the provision of cash flow resources from the General Fund until the receipt of grant monies by the special revenue funds.

**Note 10. Defined Benefit Pension Plans**

State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone comprehensive annual financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3371 or by calling toll-free 1-888-227-7877, or by visiting the STRS website at [www.strsoh.org](http://www.strsoh.org).

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. 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.

The DB Plan benefits are established under Chapter 3307 of the Ohio 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 members' three highest salary years.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 10. Defined Benefit Pension Plans (Continued)**

State Teachers Retirement System (Continued)

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 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5% with an additional one-tenth of a percent added to the calculation for every year over 31 years until 100% of the final average salary is reached. For members with 35 or more years of Ohio contributing services, the first 30 years will be calculated at 2.5%. Under the money-purchase benefit, members' lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. The total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Benefits are increased annually by 3% of the original base amount.

The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. Benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. 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 members' designated beneficiary is entitled to receive the member's account balance.

The Combined Plan offers features of the DC Plan and the DB Plan. Member contributions are allocated to investments selected by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Plan members' defined benefit is determined by multiplying 1% of the members' final average salary by the members' years of service credit. The defined benefit portion of the Combined Plan is payable to members 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 following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during 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.

For fiscal year ended June 30, 2009 members were required to contribute 10% of their annual covered salary and the District was required to contribute 14%. Member and employer contributions were established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers provided by Chapter 3307 of the Ohio Revised Code. Of the 14% contributed by the District, 13% was the portion used to fund pension obligations.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2009, 2008, and 2007 were \$740,684, \$747,106, and \$694,611, respectively; 88% has been contributed for 2009, and 100% for fiscal years 2008 and 2007. Member and employer contributions actually made for DC and Combined Plan participants will be provided upon written request.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 10. Defined Benefit Pension Plans (Continued)**

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined 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. The report can be obtained by contacting SERS, 300 E. Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free 1-800-878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Forms and Publications*.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% 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, allocated the current employer contribution rate amount for the four funds (Pension Trust, Death Benefit, Medicare B, and Health Care Funds) of the system. For the fiscal year ending 2008 (latest information available), it was determined the employer contribution rate to pension and death benefits to be 9.16%, with the remaining 4.84% of the 14% employer contribution rate allocated to the Health Care and Medicare B funds. The District's contributions to SERS for the years ended June 30, 2009, 2008, and 2007 were \$179,567, \$159,932, and \$132,832, respectively; 88% has been contributed for 2009 and 100% for fiscal years 2008 and 2007.

**Note 11. Postemployment Benefits**

Ohio law authorizes STRS to offer a cost-sharing, multiple employer health care plan 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 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care. For the fiscal years ended June 30, 2009, 2008 and 2007, the District's contributions to post-employment health care were \$52,906, \$53,365, and \$46,615; respectively.

SERS administers two post-employment benefit plans, the Medicare Part B Plan and the Health Care Plan as permitted by Ohio Revised Code Sections 3309.69 and 3309.375. The Medicare Part B Plan reimburses for Medicare Part B premiums paid by eligible retirees. The Health Care Plan provides health care and prescription drug plans administered by two third-party administrators. The Retirement Board establishes rules for premiums paid by retirees for health care coverage and varies depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 11. Postemployment Benefits (Continued)**

The Health Care Fund and Medicare Part B Fund are funded through employer contributions. Each year after allocation for required benefits the Retirement Board allocates the remainder of the employers' 14% contribution. The Health Care Fund was established and administered in accordance with the Internal Revenue Code Section 401h. At June 30, 2009 the health care allocation was 1.00%. In addition, employers pay a surcharge for employees earning less than the actuarially determined amount.

For fiscal year ended June 30, 2009, the District's contribution to the Health Care Plan, including the surcharge, was \$70,850.

**Note 12. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements, Board policies and State laws. Only administrative and twelve month school support personnel accumulate vacation based on the following factors:

<u>Years of Service</u>	<u>Vacation Days</u>
After 1 Year	10
5 or more Years	15
10 or more Years	20

All administrative personnel earn twenty days vacation annually.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for all employees is 305 days. Upon retirement, all employees with 20 years of service to the District receive 27% of accumulated sick leave. All other qualified employees receives 25% of accumulated sick leave.

**Note 13. Risk Management**

**A. General Risk**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$3,000,000 for each occurrence and \$5,000,000 in the aggregate.

The District maintains fleet insurance in the amount of \$3,000,000 for any one accident or loss.

The District maintains replacement cost insurance on buildings and contents in the amount of \$38,207,484 (subject to scheduled limits). The District maintains other property insurance for valuable papers, electronic data processing equipment, and mechanical, electrical and pressure equipment. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions of coverage from the prior years.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 13. Risk Management (Continued)**

**B. Workers' Compensation-Public Entity Risk Pool**

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP'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 Ohio School Boards Association (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 GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. 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 GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**C. Employee Insurance**

The District provides life insurance and accidental death and dismemberment insurance to its employees through the Metropolitan Educational Council insurance purchasing program. The District has elected to provide employee medical/surgical benefits through United HealthCare and dental benefits through Oasis Trust, fully funded programs.

**Note 14. Jointly Governed Organizations**

Metropolitan Educational Council - MEC is a not for profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of representatives from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the governing board. MEC is its own fiscal agent. The District does not have an ongoing financial interest in or ongoing financial responsibility for MEC. MEC provides computer services to the District.

**Note 15. Contingencies**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 District at June 30, 2009.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

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

---

**Note 15. Contingencies (Continued)**

**B. Litigation**

There are currently no matters in litigation with the District as defendant.

**Note 16. Statutory Reserves**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	Textbook Reserve	Capital Maintenance Reserve
Set-Aside Cash Balance as of July 1, 2008	\$ -	-
Current Year Set-Aside Requirement	92,804	92,804
Qualifying Disbursements	<u>(954,823)</u>	<u>(331,922)</u>
Total	<u><u>(862,019)</u></u>	<u><u>(239,118)</u></u>
 Cash Balance Carried Forward to Fiscal Year 2009	 \$ -	 -

The District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero. These amounts may be used to reduce the set-aside requirement of future years. Negative amounts, however, are not presented as being carried forward to the next fiscal year.

**Note 17. Accountability**

At June 30, 2009, the Lunchroom Fund, a Special Revenue Fund, had a deficit fund balance of \$9,701 as a result of the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather when accruals occur.

**TOLLES CAREER AND TECHNICAL CENTER  
MADISON COUNTY**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 7,565,261	\$ 7,758,830	\$ 7,758,955	\$ 125
Intergovernmental	3,175,560	3,232,258	3,232,217	(41)
Interest	500,000	321,000	320,735	(265)
Tuition and fees	120,250	156,000	156,080	80
Miscellaneous	15,500	15,567	14,223	(1,344)
<b>TOTAL REVENUES</b>	<b>11,376,571</b>	<b>11,483,655</b>	<b>11,482,210</b>	<b>(1,445)</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional services:				
Regular	1,562,800	1,562,800	1,476,727	86,073
Special	544,745	544,745	518,482	26,263
Vocational	3,769,703	3,901,403	3,685,981	215,422
Other	146,800	146,800	124,590	22,210
Support services:				
Pupils	6,218,175	5,966,975	1,018,528	4,948,447
Instructional staff	1,084,859	1,114,859	1,054,947	59,912
Board of education	76,256	76,256	62,893	13,363
Administration	819,074	863,274	770,759	92,515
Fiscal	419,549	424,549	367,972	56,577
Operation & maintenance of plant	1,395,780	1,415,780	1,300,535	115,245
Pupil transportation	25,000	25,000	16,036	8,964
Central	57,600	27,600	25,995	1,605
Extracurricular	45,141	45,141	40,381	4,760
Capital outlay	200,000	200,000	37,185	162,815
<b>TOTAL EXPENDITURES</b>	<b>16,365,482</b>	<b>16,315,182</b>	<b>10,501,011</b>	<b>5,814,171</b>
 <i>Excess (deficiency) of revenues over expenditures</i>	 (4,988,911)	 (4,831,527)	 981,199	 5,812,726
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,505,063)	(1,555,363)	(1,555,271)	92
Advances in	-	-	119,242	119,242
Advances out	-	-	(62,504)	(62,504)
Proceeds from sale of assets	-	53,000	53,080	80
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,505,063)</b>	<b>(1,502,363)</b>	<b>(1,445,453)</b>	<b>56,910</b>
 <b>NET CHANGE IN FUND BALANCES</b>	 (6,493,974)	 (6,333,890)	 (464,254)	 5,869,636
Prior year encumbrances appropriated	166,450	166,450	166,450	-
Advances to other funds, end of the year balance	-	-	54,502	54,502
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>6,452,069</b>	<b>6,452,069</b>	<b>6,452,069</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 124,545</b>	<b>\$ 284,629</b>	<b>\$ 6,208,767</b>	<b>\$ 5,924,138</b>

See notes to required supplementary information.

**TOLLES CAREER & TECHNICAL CENTER  
MADISON COUNTY**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2009**

---

**NOTE A - BUDGETARY DATA**

All funds, other than agency funds, 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, all of 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 amount that the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. Any budgetary modifications at this level may only be made by 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 District's Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate of estimated resources when the original appropriations were adopted by fund. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect at the time the final appropriations were passed by the Board.

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

**NOTE B - RECONCILING BUDGET BASIS AND GAAP**

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual column presented on the Budgetary Comparison Schedule – General Fund is prepared in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis); and
- D. Investments are recorded at cost (budget basis) as opposed to fair value (GAAP basis).

A reconciliation of the General Fund results of operations at the end of the year on the GAAP basis to the budget basis follows:

Net Change in Fund Balance (GAAP Basis)	\$ (271,538)
<b>Adjustments, net</b>	
Revenue accruals	(277,860)
Expenditure accruals	28,406
Other financing sources	56,738
Net Change in Fund Balance (Budget Basis)	<u>\$ (464,254)</u>





# Mary Taylor, CPA

Auditor of State

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

Tolles Career & Technical Center  
Madison County  
7877 U.S. Highway 42 South  
Plain City, Ohio 43064

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tolles Career and Technical Center, Madison County, Ohio (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

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

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

We noted a certain matter that we reported to the District's management in a separate letter dated December 15, 2009.

### **Compliance and Other Matters**

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

December 15, 2009



# Mary Taylor, CPA

Auditor of State

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Tolles Career & Technical Center  
Madison County  
7877 U.S. Highway 42 South  
Plain City, Ohio 43064

To the Board of Education:

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

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

1. We noted the Board has not adopted an anti-harassment policy as required by Ohio Rev. Code Section 3313.666.

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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

December 15, 2009





**Mary Taylor, CPA**  
Auditor of State

**TOLLES CAREER & TECHNICAL CENTER  
MADISON 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  
JANUARY 12, 2010**