



Dave Yost • Auditor of State

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Washington County Career Center
Washington County
21740 State Route 676
Marietta, Ohio 45750

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio (the Career Center), as of and for the year ended June 30, 2010, which collectively comprise the Career Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Career Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career, Washington County, Ohio, as of June 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2011, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Career Center's basic financial statements taken as a whole. The Federal Awards Receipts and Expenditures Schedule (the Schedule) provides additional information required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

February 16, 2011

Washington County Career Center, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

The discussion and analysis of the Washington County Career Center's (the Career Center) financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2010 are as follows:

- In total, net assets increased \$433,730. Net assets of governmental activities increased \$374,994, while net assets of the business-type activity increased \$58,736 from 2009.
- General revenues accounted for \$5,619,736 in revenue or 83% of all revenues for governmental activities. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$1,117,269 or 17% of total revenues of \$6,737,005.
- Total program expenses were \$8,771,829; \$6,362,011 in governmental activities and \$2,409,818 in the business-type activity.

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

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

Reporting the Career Center as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the large number of funds used by the Career Center to provide programs and activities for students, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2010

Unaudited

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

In the Statement of Net Assets and the Statement of Activities, the Career Center is divided into two kinds of activities:

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the good or services provided. The Career Center's adult education programs are reported as business-type activities.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

The analysis of the Career Center's major funds begins on page 8. Fund financial reports provide detailed information about the Career Center's major fund. The Career Center uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental fund is the General Fund.

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

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities (food service); therefore, these statements will essentially match.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2010

Unaudited

The Career Center as a Whole

Recall that the Statement of Net Assets provides the perspective of the Career Center as a whole. Table 1 provides a summary of the Career Center's net assets for 2010 compared to 2009.

(Table 1)
Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and Other Assets	\$5,612,361	\$5,603,602	\$928,146	\$1,206,705	\$6,540,507	\$6,810,307
Capital Assets, Net	7,608,588	7,340,620	985,732	812,600	8,594,320	8,153,220
<i>Total Assets</i>	13,220,949	12,944,222	1,913,878	2,019,305	15,134,827	14,963,527
Liabilities						
Current and Other Liabilities	2,586,491	2,597,640	119,681	266,751	2,706,172	2,864,391
Long-term Liabilities						
Due Within One Year	119,335	105,709	0	25,819	119,335	131,528
Due in More Than One Year	2,934,100	3,034,844	87,246	78,520	3,021,346	3,113,364
<i>Total Liabilities</i>	5,639,926	5,738,193	206,927	371,090	5,846,853	6,109,283
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	5,050,491	5,232,353	985,732	809,254	6,036,223	6,041,607
Restricted	374,230	145,174	0	0	374,230	145,174
Unrestricted	2,156,302	1,828,502	721,219	838,961	2,877,521	2,667,463
<i>Total Net Assets</i>	\$7,581,023	\$7,206,029	\$1,706,951	\$1,648,215	\$9,287,974	\$8,854,244

Total assets increased \$171,300, with governmental assets increasing \$276,727 and business-type assets decreasing \$105,427. For governmental activities, cash decreased \$7,668. Accounts and intergovernmental receivables decreased \$39,984 and \$35,881, respectively. Decreases were offset by a \$30,309 increase in property taxes receivable and an increase in capital assets of \$267,968, due to the completion of a heating and cooling system upgrade and roofing projects. Cash in the business-type activity decreased \$539,319. Intergovernmental receivables for tuition increased \$239,355, mainly due to the timing of Pell grant receipts (\$54,529) and receipt of funds due from West Virginia agencies for the Ravenswood power plant technology program students (\$199,068).

Total liabilities decreased \$262,430, with governmental liabilities decreasing \$98,267 and business-type liabilities decreasing \$164,163. For the governmental funds, retainage payable decreased \$85,369, due to the completion of the roofing system upgrades. Long-term liabilities decreased \$87,118, reflecting payments on debt. For the business-type activity, contracts payable decreased \$181,035 due to the completion of the roofing project.

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2010, compared to changes in net assets for the fiscal year ended June 30, 2009.

Washington County Career Center, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
 Unaudited

(Table 2)
 Changes in Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$142,743	\$134,197	\$2,188,590	\$1,623,931	\$2,331,333	\$1,758,128
Operating Grants, Contributions and Interest	972,240	1,257,551	277,326	414,677	1,249,566	1,672,228
Capital Grants	2,286	3,000	0	0	2,286	3,000
Total Program Revenues	<u>1,117,269</u>	<u>1,394,748</u>	<u>2,465,916</u>	<u>2,038,608</u>	<u>3,583,185</u>	<u>3,433,356</u>
General Revenues						
Property Taxes	1,836,867	2,037,184	0	0	1,836,867	2,037,184
Grants and Entitlements	3,630,505	3,093,247	0	0	3,630,505	3,093,247
Payments in Lieu of Taxes	33,735	43,669	0	0	33,735	43,669
Interest	94,174	143,481	0	0	94,174	143,481
Gain on Sale of Capital Assets	3,106	0	0	0	3,106	0
Miscellaneous	21,349	54,876	2,638	674	23,987	55,550
Total General Revenues	<u>5,619,736</u>	<u>5,372,457</u>	<u>2,638</u>	<u>674</u>	<u>5,622,374</u>	<u>5,373,131</u>
Total Revenues	<u>6,737,005</u>	<u>6,767,205</u>	<u>2,468,554</u>	<u>2,039,282</u>	<u>9,205,559</u>	<u>8,806,487</u>
Program Expenses						
Instruction:						
Regular	812,566	750,480	0	0	812,566	750,480
Vocational	2,088,204	2,283,511	0	0	2,088,204	2,283,511
Adult/Continuing	82,515	160,013	0	0	82,515	160,013
Support Services:						
Pupils	379,587	384,441	0	0	379,587	384,441
Instructional Staff	308,476	363,323	0	0	308,476	363,323
Board of Education	17,372	19,054	0	0	17,372	19,054
Administration	477,265	481,022	0	0	477,265	481,022
Fiscal	316,721	320,296	0	0	316,721	320,296
Business	68,856	42,318	0	0	68,856	42,318
Operation and Maintenance						
of Plant	699,206	709,082	0	0	699,206	709,082
Transportation	11,585	7,242	0	0	11,585	7,242
Central	337,634	354,498	0	0	337,634	354,498
Operation of Non-Instructional Services:						
Other	544,999	238,420	0	0	544,999	238,420
Food Service Operations	146,328	175,297	0	0	146,328	175,297
Extracurricular Activities	2,324	7,088	0	0	2,324	7,088
Interest and Fiscal Charges	68,373	72,630	0	0	68,373	72,630
Adult Education	0	0	2,409,818	2,047,665	2,409,818	2,047,665
Total Expenses	<u>6,362,011</u>	<u>6,368,715</u>	<u>2,409,818</u>	<u>2,047,665</u>	<u>8,771,829</u>	<u>8,416,380</u>
Increase (Decrease) in Net Assets	374,994	398,490	58,736	(8,383)	433,730	390,107
Net Assets Beginning of Year	7,206,029	6,807,539	1,648,215	1,656,598	8,854,244	8,464,137
Net Assets End of Year	<u>\$7,581,023</u>	<u>\$7,206,029</u>	<u>\$1,706,951</u>	<u>\$1,648,215</u>	<u>\$9,287,974</u>	<u>\$8,854,244</u>

Washington County Career Center, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

Governmental Activities

Net assets of the Career Center's governmental activities increased \$374,994 in fiscal year 2010. Total governmental expenses of \$6,362,011 did not exceed the program revenues of \$1,117,269 and general revenues of \$5,619,736.

The primary sources of revenue for the Career Center are derived from property taxes and State foundation payments. These two revenue sources represent 81 percent of the total revenue. The remaining 19 percent of revenue is from program revenues, interest, and miscellaneous local sources.

In recent years, the State has implemented weighted funding for special education students and career-tech students, in addition to ADM (average daily membership) funding. The state foundation base receipts and the both special education and career-technical weighted funding were all increased by 0.75% (\$55,646 and \$6,281 respectively) over fiscal year 2009 levels as House Bill 1 was implemented. The thought behind this increase was to grant a slight increase in each of the two years of the biennial budget while it is determined Career Tech's role in the overall public education puzzle.

Under program expenses for fiscal year 2010, the Career Center eliminated the WAVE program which reduced the certified staff by one member in the high school program, resulting in decreased overall expenses in the career technical category. Lower oil/gas prices, along with realization savings from prior year HVAC upgrades resulted in a marked decrease in heating costs. After many delays and repairs, the \$1.7 million roofing project was finally completed.

Program revenues covered 17.6 percent of program expenses overall. The remaining 82.4 percent is supported through tax revenues and other general revenues. In fiscal year 2010, expenses totaled 94 percent of revenues, resulting in an increase in net assets of \$374,994.

Business-Type Activity

The business-type activity involves the Career Center's adult education program. This program had revenues of \$2,468,554 and expenses of \$2,409,818 for fiscal year 2010. Charges for services increased \$564,659 from the prior year. Expenditures reflect an increase of \$362,153 for the same period. This increase can be attributed to several factors. The long time director of adult education retired during the fiscal year, which increased salary costs due to severance and hiring his replacement as an assistant to work with him in the months leading up to his retirement. Additionally, there was a sizeable increase in students and classes, which increased the staff and supply costs. The supply cost will be partially recouped through book and tool fees, and the sizeable accounts and intergovernmental receivables at year end is reflective of this occurrence.

Table 3 shows the total cost of services and the net cost of services for fiscal year compared to fiscal year 2009. That is, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

Washington County Career Center, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

(Table 3)
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Program Expenses				
Instruction:				
Regular	\$812,566	\$750,480	\$812,566	\$749,416
Vocational	2,088,204	2,283,511	1,991,991	1,852,424
Adult/Continuing	82,515	160,013	82,133	(94,787)
Support Services:				
Pupils	379,587	384,441	139,945	162,367
Instructional Staff	308,476	363,323	288,554	354,934
Board of Education	17,372	19,054	17,372	19,054
Administration	477,265	481,022	477,265	475,618
Fiscal	316,721	320,296	316,721	320,296
Business	68,856	42,318	68,856	42,318
Operation and Maintenance of Plant	699,206	709,082	699,206	709,082
Transportation	11,585	7,242	11,585	7,242
Central	337,634	354,498	257,492	296,891
Operation of Non-Instructional Services:				
Other	544,999	238,420	16,213	0
Food Service Operations	146,328	175,297	(5,854)	(606)
Extracurricular Activities	2,324	7,088	2,324	7,088
Interest and Fiscal Charges	68,373	72,630	68,373	72,630
Total	<u>\$6,362,011</u>	<u>\$6,368,715</u>	<u>\$5,244,742</u>	<u>\$4,973,967</u>

As you can see, the reliance upon local tax revenues for governmental activities is crucial. Twenty-nine percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs supported 57 percent of expenses, while program revenues, investments, and other miscellaneous types of revenues supported the remaining activity costs. The dependence upon tax revenues and State subsidies for governmental activities is apparent. For fiscal year 2010, approximately 97 percent of instruction activities were supported through taxes and other general revenues. As you can see from Table 3, the food service programs are the only self-supporting programs, meaning that no general revenues are necessary to supplement these activities.

The Career Center Funds

The Career Center's governmental funds reported a combined fund balance of \$2,935,062, an increase of \$90,475 from fiscal year 2009. All governmental funds had total revenues of \$6,802,885 and expenditures of \$6,717,721.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2010

Unaudited

The Career Center's major funds are accounted for using the modified accrual basis of accounting. The General Fund's \$538,176 increase in fund balance can be mainly attributed to a \$250,000 advance repayment and cost savings from heating and personnel adjustments.

General Fund Budgeting Highlights

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

During the course of fiscal 2010, the Career Center amended its General Fund budget, but not significantly. The Career Center uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, budget basis revenue was \$5,679,465, above final estimates of \$5,618,136. Original estimated revenues were decreased \$117,724 due to decreased interest income and uncertainty about House Bill 1's impact on state foundation funding. Expenditures of \$5,540,244 were lower than final appropriations of \$5,593,636 due to various factors, but primarily due to overestimated amounts on year end encumbrances. Final appropriations were decreased \$259,174 from original appropriations due to a significant decrease in purchased services and higher than needed estimates for capital outlay.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the Career Center had \$8,594,320 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared to 2009.

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

	Governmental Activities		Business-Type Activity		Total	
	2010	2009	2010	2009	2010	2009
Land	\$48,000	\$48,000	\$0	\$0	\$48,000	\$48,000
Construction in Progress	0	548,006	0	498,940	0	1,046,946
Buildings and Improvements	6,284,625	5,297,065	680,000	0	6,964,625	5,297,065
Furniture and Equipment	1,248,673	1,414,462	301,231	306,898	1,549,904	1,721,360
Vehicles	27,290	33,087	4,501	6,762	31,791	39,849
Totals	<u>\$7,608,588</u>	<u>\$7,340,620</u>	<u>\$985,732</u>	<u>\$812,600</u>	<u>\$8,594,320</u>	<u>\$8,153,220</u>

During fiscal year 2010, the Career Center completed renovations of the welding lab area, added learning equipment in several of the career/technical programs, and finished the roof replacement project from governmental funds. Under the business-type activity, the Career Center purchased and equipped a mobile training trailer, to offer training to adult students in various locations. See Note 9 to the basic financial statements for more information on capital assets.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2010

Unaudited

Debt

During fiscal year 2010, the Career Center had the following changes in long-term obligations:

	Principal Outstanding 6/30/09	Additions	Reductions	Principal Outstanding 6/30/10	Amounts Due in One Year
Governmental Activities:					
Energy Conservation Notes - 2.0%-5.9%					
July 23, 2002, \$615,000	\$370,000	\$0	\$40,000	\$330,000	\$40,000
Qualified Zone Academy Bonds - 0%					
July 1, 2007, \$1,225,000	1,225,000	0	0	1,225,000	0
Capital Leases	1,105,906	0	65,709	1,040,197	68,464
Total Governmental Activities	<u>\$2,700,906</u>	<u>\$0</u>	<u>\$105,709</u>	<u>\$2,595,197</u>	<u>\$108,464</u>
Business-Type Activity:					
Capital Leases	<u>\$3,346</u>	<u>\$0</u>	<u>\$3,346</u>	<u>\$0</u>	<u>\$0</u>

See Notes 14 and 15 to the basic financial statements for more information on debt.

Challenges and Opportunities

The vision of the Career Center is to prepare learners to be productive, responsible, and successful members of society through progressive curriculum and dynamic hands-on learning. The Career Center challenges each student to develop lifelong skills that relate to the leadership and teamwork necessary in their future careers and community roles. The Career Center establishes a relationship with staff, students, parents, and community businesses that allow all learners to reach their full potential.

The mission of the Career Center is to provide career options through technical and academic education in a secure environment, resulting in knowledgeable and skilled individuals who are prepared for future opportunities and productive citizenship.

The mission of the Career Center Adult Education Department is to design, develop, and implement training that meets the needs of local business, industry, and individuals. We are dedicated to providing progressive solutions that lead to increased productivity and to enhance individual employment opportunities and the quality of life in the Mid-Ohio Valley.

In order to meet the goals mentioned above, it is imperative that the Career Center's management and staff continue to carefully and prudently plan in order to provide the resources and education required to meet student needs over the next several years.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2010

Unaudited

The Career Center has achieved a large measure of financial stability in the past and in fiscal year 2010. Administrators and staff are cognizant of the entities' vulnerability due to the economy's instability. The Board of Education and administrators continue to closely monitor both revenues and expenses in order to strike a balance of the two. The Treasurer continues to monitor revenues and expenses to ascertain that actual revenues meet or exceed estimated revenues and actual expenses do not exceed estimates.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Janine Satterfield, Treasurer at the Washington County Career Center, 21740 SR 676, Marietta, Ohio 45750, or e-mail at jsatterfield@thecareercenter.net.

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Washington County Career Center, Ohio

Statement of Net Assets

June 30, 2010

	Governmental Activities	Business-Type Activity	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,124,281	\$507,388	\$3,631,669
Cash and Cash Equivalents with Fiscal Agents	159	0	159
Investments with Fiscal Agents	212,292	0	212,292
Interfund Receivable	0	14,713	14,713
Materials and Supplies Inventory	25,960	26,896	52,856
Intergovernmental Receivable	113,847	355,121	468,968
Prepaid Items	1,485	0	1,485
Accounts Receivable	740	24,028	24,768
Property Taxes Receivable	2,096,497	0	2,096,497
Deferred Charges	37,100	0	37,100
Nondepreciable Capital Assets	48,000	0	48,000
Depreciable Capital Assets, Net	7,560,588	985,732	8,546,320
<i>Total Assets</i>	<u>13,220,949</u>	<u>1,913,878</u>	<u>15,134,827</u>
Liabilities			
Accounts Payable	62,662	18,892	81,554
Accrued Wages and Benefits Payable	391,912	67,101	459,013
Contracts Payable	73,703	0	73,703
Interfund Payable	14,713	0	14,713
Accrued Interest Payable	3,510	0	3,510
Vacation Benefits Payable	34,258	13,502	47,760
Matured Interest Payable	159	0	159
Intergovernmental Payable	80,864	20,186	101,050
Deferred Revenue	1,924,710	0	1,924,710
Long-Term Liabilities:			
Due Within One Year	119,335	0	119,335
Due In More Than One Year	2,934,100	87,246	3,021,346
<i>Total Liabilities</i>	<u>5,639,926</u>	<u>206,927</u>	<u>5,846,853</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,050,491	985,732	6,036,223
Restricted for:			
Unclaimed Monies	205	0	205
Debt Service	204,747	0	204,747
Capital Outlay	3,848	0	3,848
Capital Improvement Set-aside	52,269	0	52,269
Textbook Set-aside	36,148	0	36,148
Budget Stabilization	28,932	0	28,932
Other Purposes	48,081	0	48,081
Unrestricted	2,156,302	721,219	2,877,521
<i>Total Net Assets</i>	<u>\$7,581,023</u>	<u>\$1,706,951</u>	<u>\$9,287,974</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues			Net (Expense)Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants	Governmental Activities	Business-Type Activity	Total
Governmental Activities							
Instruction:							
Regular	\$812,566	\$0	\$0	\$0	(\$812,566)	\$0	(\$812,566)
Vocational	2,088,204	82,628	13,585	0	(1,991,991)	0	(1,991,991)
Adult/Continuing	82,515	0	382	0	(82,133)	0	(82,133)
Support Services:							
Pupils	379,587	0	239,642	0	(139,945)	0	(139,945)
Instructional Staff	308,476	0	19,922	0	(288,554)	0	(288,554)
Board of Education	17,372	0	0	0	(17,372)	0	(17,372)
Administration	477,265	0	0	0	(477,265)	0	(477,265)
Fiscal	316,721	0	0	0	(316,721)	0	(316,721)
Business	68,856	0	0	0	(68,856)	0	(68,856)
Operation and							
Maintenance of Plant	699,206	0	0	0	(699,206)	0	(699,206)
Transportation	11,585	0	0	0	(11,585)	0	(11,585)
Central	337,634	0	77,856	2,286	(257,492)	0	(257,492)
Operation of Non-Instructional Services:							
Other	544,999	0	528,786	0	(16,213)	0	(16,213)
Food Service Operations	146,328	60,115	92,067	0	5,854	0	5,854
Extracurricular Activities	2,324	0	0	0	(2,324)	0	(2,324)
Interest and Fiscal Charges	68,373	0	0	0	(68,373)	0	(68,373)
<i>Total Governmental Activities</i>	<u>6,362,011</u>	<u>142,743</u>	<u>972,240</u>	<u>2,286</u>	<u>(5,244,742)</u>	<u>0</u>	<u>(5,244,742)</u>
Business-Type Activity							
Adult Education	<u>2,409,818</u>	<u>2,188,590</u>	<u>277,326</u>	<u>0</u>	<u>0</u>	<u>56,098</u>	<u>56,098</u>
<i>Totals</i>	<u>\$8,771,829</u>	<u>\$2,331,333</u>	<u>\$1,249,566</u>	<u>\$2,286</u>	<u>(5,244,742)</u>	<u>56,098</u>	<u>(5,188,644)</u>
General Revenues							
Property Taxes Levied for General Purposes					1,836,867	0	1,836,867
Grants and Entitlements not Restricted to Specific Programs					3,630,505	0	3,630,505
Payments in Lieu of Taxes					33,735	0	33,735
Interest					94,174	0	94,174
Gain on Sale of Capital Assets					3,106	0	3,106
Miscellaneous					21,349	2,638	23,987
<i>Total General Revenues</i>					<u>5,619,736</u>	<u>2,638</u>	<u>5,622,374</u>
<i>Change in Net Assets</i>					<u>374,994</u>	<u>58,736</u>	<u>433,730</u>
<i>Net Assets Beginning of Year</i>					<u>7,206,029</u>	<u>1,648,215</u>	<u>8,854,244</u>
<i>Net Assets End of Year</i>					<u>\$7,581,023</u>	<u>\$1,706,951</u>	<u>\$9,287,974</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Balance Sheet

Governmental Funds

June 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,834,601	\$172,126	\$3,006,727
Cash and Cash Equivalents with Fiscal Agents	0	159	159
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	117,554	0	117,554
Investments with Fiscal Agents	212,292	0	212,292
Receivables:			
Property Taxes	2,096,497	0	2,096,497
Accounts	740	0	740
Intergovernmental	4,303	109,544	113,847
Interfund	41,500	0	41,500
Prepaid Items	1,485	0	1,485
Materials and Supplies Inventory	24,366	1,594	25,960
<i>Total Assets</i>	<u>\$5,333,338</u>	<u>\$283,423</u>	<u>\$5,616,761</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$35,484	\$27,178	\$62,662
Accrued Wages and Benefits Payable	353,640	38,272	391,912
Contracts Payable	2,226	71,477	73,703
Interfund Payable	0	56,213	56,213
Matured Interest Payable	0	159	159
Intergovernmental Payable	72,379	8,485	80,864
Deferred Revenue	1,991,287	24,899	2,016,186
<i>Total Liabilities</i>	<u>2,455,016</u>	<u>226,683</u>	<u>2,681,699</u>
Fund Balances			
Reserved for Encumbrances	130,890	21,820	152,710
Reserved for Property Taxes	105,583	0	105,583
Reserved for Unclaimed Monies	205	0	205
Reserved for Capital Improvements	52,269	0	52,269
Reserved for Textbooks	36,148	0	36,148
Reserved for Budget Stabilization	28,932	0	28,932
Designated for Budget Stabilization	69,251	0	69,251
Unreserved, Undesignated, Reported in:			
General Fund	2,455,044	0	2,455,044
Special Revenue Funds	0	33,770	33,770
Capital Projects Funds	0	1,150	1,150
<i>Total Fund Balances</i>	<u>2,878,322</u>	<u>56,740</u>	<u>2,935,062</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,333,338</u>	<u>\$283,423</u>	<u>\$5,616,761</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2010*

Total Governmental Fund Balances		\$2,935,062
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,608,588
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	66,086	
Grants	24,899	
Miscellaneous	491	91,476
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.		37,100
Interest Payable is accrued for outstanding long-term liabilities while interest is not reported until due on the Balance Sheet.		(3,510)
Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the Balance Sheet until due.		(34,258)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Energy Conservation Notes Payable	(330,000)	
Qualified Zone Academy Bonds	(1,225,000)	
Capital Leases Payable	(1,040,197)	
Sick Leave Benefits Payable	(458,238)	(3,053,435)
Net Assets of Governmental Activities		\$7,581,023

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$1,826,649	\$0	\$1,826,649
Intergovernmental	3,644,090	1,040,268	4,684,358
Interest	94,174	100	94,274
Tuition and Fees	0	19,072	19,072
Customer Services	63,556	60,115	123,671
Payments in Lieu of Taxes	33,735	0	33,735
Miscellaneous	21,126	0	21,126
<i>Total Revenues</i>	<u>5,683,330</u>	<u>1,119,555</u>	<u>6,802,885</u>
Expenditures			
Current:			
Instruction:			
Regular	830,898	0	830,898
Vocational	1,893,731	28,045	1,921,776
Adult/Continuing	0	310	310
Support Services:			
Pupils	138,193	232,882	371,075
Instructional Staff	274,920	19,620	294,540
Board of Education	17,372	0	17,372
Administration	471,666	0	471,666
Fiscal	311,526	0	311,526
Business	68,464	0	68,464
Operation and Maintenance of Plant	683,485	0	683,485
Transportation	11,493	0	11,493
Central	242,151	71,558	313,709
Operation of Non-Instructional Services	0	685,613	685,613
Extracurricular Activities	1,838	0	1,838
Capital Outlay	24,034	538,672	562,706
Debt Service:			
Principal Retirement	105,709	0	105,709
Interest and Fiscal Charges	65,541	0	65,541
<i>Total Expenditures</i>	<u>5,141,021</u>	<u>1,576,700</u>	<u>6,717,721</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>542,309</u>	<u>(457,145)</u>	<u>85,164</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	5,311	0	5,311
Transfers In	0	9,444	9,444
Transfers Out	(9,444)	0	(9,444)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,133)</u>	<u>9,444</u>	<u>5,311</u>
<i>Net Change in Fund Balances</i>	538,176	(447,701)	90,475
<i>Fund Balances Beginning of Year</i>	<u>2,340,146</u>	<u>504,441</u>	<u>2,844,587</u>
<i>Fund Balances End of Year</i>	<u>\$2,878,322</u>	<u>\$56,740</u>	<u>\$2,935,062</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010*

Net Change in Fund Balances - Total Governmental Funds \$90,475

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

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

Capital Asset Additions	655,648	
Depreciation Expense	<u>(385,475)</u>	270,173

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (2,205)

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

Grants	(79,427)	
Other	223	
Property Taxes	<u>10,218</u>	(68,986)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 105,709

In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. 260

Issuance costs are reported as an expenditure when paid in governmental funds, but are allocated as an expense over the life of the outstanding debt on the statement of activities. (3,092)

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.

Vacation Benefits Payable	1,251	
Sick Leave Benefits Payable	<u>(18,591)</u>	<u>(17,340)</u>

Change in Net Assets of Governmental Activities \$374,994

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$1,920,013	\$1,779,686	\$1,779,686	\$0
Intergovernmental	3,591,389	3,630,124	3,648,116	17,992
Interest	133,500	91,134	91,134	0
Customer Services	14,590	14,564	105,761	91,197
Payments in Lieu of Taxes	16,868	33,735	33,735	0
Miscellaneous	59,500	68,893	21,033	(47,860)
<i>Total Revenues</i>	5,735,860	5,618,136	5,679,465	61,329
Expenditures				
Current:				
Instruction:				
Regular	881,344	836,727	834,772	1,955
Vocational	2,052,747	2,076,001	2,061,544	14,457
Support Services:				
Pupils	141,521	141,119	140,629	490
Instructional Staff	355,182	330,706	321,071	9,635
Board of Education	20,476	17,420	17,307	113
Administration	505,283	495,853	491,363	4,490
Fiscal	310,619	321,806	312,716	9,090
Business	40,398	60,877	64,962	(4,085)
Operation and Maintenance of Plant	844,005	746,610	734,507	12,103
Transportation	9,000	13,000	12,993	7
Central	389,580	270,647	265,508	5,139
Extracurricular Activities	6,890	1,840	1,838	2
Capital Outlay	54,931	41,531	41,535	(4)
Debt Service:				
Principal	173,958	173,958	173,958	0
Interest	66,876	65,541	65,541	0
<i>Total Expenditures</i>	5,852,810	5,593,636	5,540,244	53,392
<i>Excess of Revenues Over (Under) Expenditures</i>	(116,950)	24,500	139,221	114,721
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	5,311	5,311
Advances In	261,409	261,409	261,438	29
Refund of Prior Year Expenditures	500	500	526	26
Other Financing Uses	(310,828)	0	0	0
Advances Out	0	0	(41,529)	(41,529)
Transfers Out	(17,028)	(9,528)	(9,444)	84
<i>Total Other Financing Sources (Uses)</i>	(65,947)	252,381	216,302	(36,079)
<i>Net Change in Fund Balance</i>	(182,897)	276,881	355,523	78,642
<i>Fund Balance Beginning of Year</i>	2,128,993	2,128,993	2,128,993	0
Prior Year Encumbrances Appropriated	226,727	226,727	226,727	0
<i>Fund Balance End of Year</i>	\$2,172,823	\$2,632,601	\$2,711,243	\$78,642

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Fund Net Assets

Enterprise Fund

June 30, 2010

	<u>Business-Type Activity</u>
	<u>Adult Education Fund</u>
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$507,388
Interfund Receivable	14,713
Materials and Supplies Inventory	26,896
Intergovernmental Receivable	355,121
Accounts Receivable	<u>24,028</u>
<i>Total Current Assets</i>	928,146
Noncurrent Assets:	
Depreciable Capital Assets, net	<u>985,732</u>
<i>Total Assets</i>	<u>1,913,878</u>
Liabilities	
Current Liabilities:	
Accounts Payable	18,892
Accrued Wages and Benefits Payable	67,101
Vacation Benefits Payable	13,502
Intergovernmental Payable	<u>20,186</u>
<i>Total Current Liabilities</i>	119,681
Long-term Liabilities:	
Sick Leave Benefits Payable	<u>87,246</u>
<i>Total Liabilities</i>	<u>206,927</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	985,732
Unrestricted	<u>721,219</u>
Total Net Assets	<u><u>\$1,706,951</u></u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Revenues,

Expenses and Changes in Fund Net Assets

Enterprise Fund

For the Fiscal Year Ended June 30, 2010

	<u>Business-Type Activity</u>
	<u>Adult Education Fund</u>
Operating Revenues	
Tuition	\$2,188,590
Other	2,638
<i>Total Operating Revenues</i>	<u>2,191,228</u>
Operating Expenses	
Salaries	1,231,831
Fringe Benefits	391,139
Purchased Services	283,321
Materials and Supplies	454,184
Depreciation	49,296
<i>Total Operating Expenses</i>	<u>2,409,771</u>
<i>Operating Loss</i>	<u>(218,543)</u>
Non-Operating Revenues (Expenses)	
Interest and Fiscal Charges	(47)
Federal and State Subsidies	277,326
<i>Total Non-Operating Revenues (Expenses)</i>	<u>277,279</u>
<i>Net Change in Net Assets</i>	58,736
<i>Net Assets Beginning of Year</i>	<u>1,648,215</u>
<i>Net Assets End of Year</i>	<u><u>\$1,706,951</u></u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Cash Flows

Enterprise Fund

For the Fiscal Year Ended June 30, 2010

	Business-Type Activity
	Adult Education Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$1,889,001
Cash Received from Other Operating Revenues	2,562
Cash Payments to Suppliers for Goods and Services	(755,167)
Cash Payments for Employee Services	(1,219,306)
Cash Payments for Employee Benefits	(386,034)
Net Cash Used for Operating Activities	(468,944)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	329,500
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Lease	(3,346)
Interest Paid on Capital Lease	(47)
Payments for Capital Acquisitions	(396,482)
Net Cash Used for Capital and Related Financing Activities	(399,875)
<i>Net Decrease in Cash and Cash Equivalents</i>	(539,319)
<i>Cash and Cash Equivalents at Beginning of Year</i>	1,046,707
<i>Cash and Cash Equivalents at End of Year</i>	\$507,388
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$218,543)
Depreciation	49,296
Changes in Assets and Liabilities:	
Decrease in Materials and Supplies Inventory	(12,206)
Decrease in Accounts Receivable	5,514
Increase in Interfund Receivable	(14,713)
Increase in Intergovernmental Receivable	(291,529)
Decrease in Accounts Payable	4,397
Decrease in Accrued Wages and Benefits Payable	22,714
Increase in Contracts Payable	(7,837)
Decrease in Vacation Benefits Payable	3,558
Increase in Sick Leave Benefits Payable	(13,747)
Increase in Intergovernmental Payable	4,152
Net Cash Used for Operating Activities	(\$468,944)

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2010

	<u>Student Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$36,850</u>
Liabilities	
Due to Students	<u>\$36,850</u>

See accompanying notes to the basic financial statements

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Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 1 - Description of the Career Center and Reporting Entity

The Washington County Career Center (Career Center) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of seven members, one from each of the following elected Boards of Education: Belpre City Board of Education, Marietta City Board of Education, Ohio Valley Educational Service Center, Fort Frye Local Board of Education, Frontier Local Board of Education, Warren Local Board of Education, and Wolf Creek Local Board of Education. The Career Center exposes students to job training leading to employment upon graduation from high school.

The Career Center was formed in 1967. The buildings are located on a 173.82 acre site and were opened for instruction in 1972. It is staffed by 21 classified employees and 43 certificated employees who provide services to 475 Washington County juniors and seniors and 1,156 adult students through the adult education department evening classes and customized training for business and industry.

Reporting Entity

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

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

The Career Center participates in the Southeastern Ohio Voluntary Education Cooperative and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as an insurance purchasing pool. These organizations are presented in Notes 16 and 17.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Career Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Career Center also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless those pronouncements conflict with or contradict GASB pronouncements. The Career Center has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activity and enterprise fund. The more significant of the Career Center's accounting policies are described below.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. The statements distinguish between those activities of the Career Center that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements During the fiscal year, the Career Center segregates transactions related to certain Career Center 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 Career Center at this more detailed level. The focus of governmental and enterprise fund 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. The fiduciary fund is reported by type.

B. Fund Accounting

The Career Center 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 Career Center are divided into three categories: governmental, proprietary, and fiduciary.

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

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Proprietary Fund Types Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The Career Center has no internal service funds.

Enterprise Fund Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Career Center's only enterprise fund accounts for the operation of the Career Center's adult education program.

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Career Center's only fiduciary fund is an agency fund, which accounts for student activities.

C. Measurement Focus

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 Career Center 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 are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

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

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. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Nonexchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the 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 Career Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from 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 fiscal yearend: property taxes available as an advance, interest, tuition, grants, fees, and charges for services.

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

Property taxes for which there was an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the Career Center is pooled. Monies for all funds, except for the cash with fiscal agents, are maintained in this pool. Individual fund integrity is maintained through the Career Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The Career Center's investments during fiscal year 2010 were the State Treasury Asset Reserve of Ohio (STAROhio) and money market mutual funds. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2010.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$94,174, which includes \$28,935 assigned from other Career Center funds.

The Career Center utilizes a financial institution to service principal and interest payments. The balance in this account is presented on the balance sheet as "restricted investments with fiscal agents" and represents money market mutual funds.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

G. Inventory

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

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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 on the fund financial statements. Capital assets utilized by the Adult Education Enterprise Fund are reported both in the business-type activity column of the government-wide statement of net assets and in the fund.

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

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Description	Estimated Lives
Buildings and Improvements	75 - 100 years
Furniture and Equipment	5 - 48 years
Vehicles	5 - 23 years

I. Interfund Balances

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". These amounts are eliminated in the governmental activities column of the statement of net assets.

J. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets include amounts required by statute to be set-aside by the Career Center for textbooks and for the acquisition or construction of capital assets, the unspent workers' compensation refund monies required to be maintained for budget stabilization, unclaimed monies, and cash held with fiscal agents for payment to the contractors under the Career Center's lease-purchase agreement. See Note 19 for additional information regarding set-asides.

K. 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 Career Center will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable", rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

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 and those the Career Center has identified as probable of receiving payment 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 Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for classified and certified employees after one year of service with the Career Center.

L. Accrued Liabilities and Long-term Obligations

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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

M. Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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

N. Fund Balance Reserves/Designations

The Career Center reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, unclaimed monies, capital improvements, textbooks, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. Under Ohio law, unclaimed monies must be held for five years before it becomes available for appropriation. Monies not yet held for the five year period are presented as reserved. The reserve for budget stabilization represents money set-aside to protect the Career Center from cyclical changes in revenues and expenditures.

Designations represent tentative plans for future use of financial resources. The Career Center has fund balance designations on the balance sheet for additional monies set-aside by the Board of Education above the required amounts for the reserves for budget stabilization.

O. Unamortized Issuance Costs

On the government-wide financial statements, issuance costs are deferred and amortized over the term of the debt using the straight-line method. Issuance costs are reported as deferred charges.

On the government fund financial statements, issuance costs are recognized in the period in which the debt is issued.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include the food service program and local, federal, and state grants restricted to expenditure for specified purposes.

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for adult education programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

R. Extraordinary and Special Item

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

S. 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.

T. Budgetary Process

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed.

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

Note 3 - Fund Deficit

The Pell Grant Special Revenue Fund had a deficit fund balance at June 30, 2010, of \$16,213. The deficit in the Special Revenue Fund is the result of the recognition of accruals. The General Fund provides transfers to cover deficit fund balances in Special Revenue Fund; however, this is done when cash is needed rather than when accruals occur.

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unreported and prepaid items represent amounts received but not included as revenues on the budget basis operating statements. These amounts are included as revenues on the GAAP basis operating statement.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Net Change in Fund Balance

	General Fund
GAAP Basis	\$538,176
Net Adjustment for:	
Revenue Accruals	(4,619)
Expenditure Accruals	(166,353)
Unreported Interest:	
Beginning of Fiscal Year	9,208
End of Fiscal Year	(7,928)
Prepaid Items:	
Beginning of Fiscal Year	1,599
End of Fiscal Year	(1,485)
Advances In	261,438
Advances Out	(41,529)
Encumbrances	(232,984)
	<u> </u>
Budget Basis	<u><u>\$355,523</u></u>

Note 5 - Deposits and Investments

Monies held by the Career Center are classified by State statute into three categories.

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

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

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

Washington County Career Center, Ohio

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For the Fiscal Year Ended June 30, 2010*

Interim monies held by the Career Center can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$3,618,090 of the Career Center's bank balance of \$4,164,270 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirement could potentially subject the Career Center to a successful claim by the FDIC.

The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Career Center or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Investments As of June 30, 2010, the Career Center had the following investments: STAROhio which is part of the internal investment pool and money market mutual funds held by a fiscal agent in an escrow account that is restricted for the payment of debt.

	Fair Value	Maturity	Rating	Rating Agency
Money Market Mutual Funds	\$212,292	N/A	Aaa	Moody's
STAROhio	4,824	Average - 56 Days	AAAm	S&P
Total	<u>\$217,116</u>			

Interest Rate Risk The Career Center's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments which she does not reasonably believe can be held until the maturity date. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Career Center, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The credit ratings for the Career Center's securities are listed above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of the purchase by at least one nationally recognized standard rating service. The Career Center has no investment policy that would further limit its investment choices.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Career Center has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008, and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2010 (other than public utility property tax) represents the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The Career Center receives property taxes from Washington, Athens, Morgan, and Noble Counties. The Washington County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real, personal property, and public utility taxes which are measurable as of June 30, 2010, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

The amount available as an advance at June 30, 2010, was \$105,583 and is recognized as revenue in the General Fund. The amount available as an advance to the General Fund at June 30, 2009, was \$58,738.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$954,341,580	85.45%	\$958,432,680	84.97%
Public Utility Personal	162,502,820	14.55%	169,507,990	15.03%
Total	\$1,116,844,400	100.00%	\$1,127,940,670	100.00%
Tax Rate per \$1,000 of assessed valuation	\$1.80		\$1.80	

Note 7 - Interfund Activity

A. Transfers

The General Fund transferred \$9,444 to the State Grants Special Revenue Fund during fiscal year 2010. The transfer was to cover additional expenditures of the program not covered by the grant dollars.

B. Balances

Interfund balances at June 30, 2010, arise from the provision of cash flow resources from the General Fund until the receipt of grant monies by the Special Revenue Funds for \$56,213.

	Receivables	Payables
General	\$41,500	\$0
Special Revenue Funds:		
Pell Grants	0	14,713
State Grants	0	1,500
Federal Grants	0	40,000
Total Special Revenue Funds	0	56,213
Adult Education Enterprise Fund	14,713	0
Total All Funds	\$56,213	\$56,213

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 8 - Receivables

Receivables at June 30, 2010, consisted of property taxes, accounts (rent, billings for user charged services, and tuition), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of \$66,086 may not be collected within one year. All other receivables are expected to be collected within one year. A summary of principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities:	
Youth Employment Program Grant	\$4,303
School Breakfast Program	20,431
Pell Grant	25,640
Appalachian Regional Commission	22,500
Carl Perkins	38,574
Title II-A	<u>2,399</u>
Total Governmental Activities	<u>113,847</u>
Business-Type Activity:	
Tuition	<u>355,121</u>
Total Business-Type Activity	<u>355,121</u>
Total	<u><u>\$468,968</u></u>

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/2009	Additions	Deductions	Balance 6/30/2010
Governmental Activities:				
Capital Assets:				
Capital Assets not being depreciated:				
Land	\$48,000	\$0	\$0	\$48,000
Construction in Progress	548,006	558,702	(1,106,708)	0
Total Capital Assets not being depreciated	<u>596,006</u>	<u>558,702</u>	<u>(1,106,708)</u>	<u>48,000</u>
Depreciable Capital Assets:				
Buildings and Improvements	6,911,608	1,106,708	0	8,018,316
Furniture and Equipment	3,274,057	96,946	(62,786)	3,308,217
Vehicles	78,103	0	(8,439)	69,664
Total Capital Assets being Depreciated	<u>10,263,768</u>	<u>1,203,654</u>	<u>(71,225)</u>	<u>11,396,197</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,614,543)	(119,148)	0	(1,733,691)
Furniture and Equipment	(1,859,595)	(260,530)	60,581	(2,059,544)
Vehicles	(45,016)	(5,797)	8,439	(42,374)
Total Accumulated Depreciation	<u>(3,519,154)</u>	<u>(385,475) *</u>	<u>69,020</u>	<u>(3,835,609)</u>
Total Capital Assets being Depreciated, Net	<u>6,744,614</u>	<u>818,179</u>	<u>(2,205)</u>	<u>7,560,588</u>
Governmental Activities Capital Assets, Net	<u><u>\$7,340,620</u></u>	<u><u>\$1,376,881</u></u>	<u><u>(\$1,108,913)</u></u>	<u><u>\$7,608,588</u></u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$26,326
Vocational	193,516
Adult/Continuing	78,201
Support Services:	
Pupils	7,819
Instructional Staff	9,872
Administration	12,418
Fiscal	6,461
Business	784
Operation and Maintenance of Plant	28,521
Transportation	92
Central	16,018
Food Service	4,961
Extracurricular Activities	486
Total Depreciation Expense	<u><u>\$385,475</u></u>

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

	Balance 6/30/2009	Additions	Deductions	Balance 6/30/2010
Business-Type Activity:				
Capital Assets:				
Capital Assets not being depreciated:				
Construction in Progress	\$498,940	\$181,060	(\$680,000)	\$0
Total Capital Assets not being depreciated	498,940	181,060	(680,000)	0
Depreciable Capital Assets:				
Buildings and Improvements	0	680,000	0	680,000
Furniture and Equipment	498,479	41,368	0	539,847
Vehicles	22,610	0	0	22,610
Total Capital Assets being Depreciated	521,089	721,368	0	1,242,457
Less Accumulated Depreciation				
Furniture and Equipment	(191,581)	(47,035)	0	(238,616)
Vehicles	(15,848)	(2,261)	0	(18,109)
Total Accumulated Depreciation	(207,429)	(49,296)	0	(256,725)
Total Capital Assets being Depreciated, Net	313,660	672,072	0	985,732
Business-Type Activity Capital Assets, Net	\$812,600	\$853,132	(\$680,000)	\$985,732

Note 10 - Risk Management

A. Property and Liability

The Career Center is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the Career Center contracted with the following insurance company for coverage:

Governmental Underwriters of America, Inc. through	
Argonaut Insurance Company:	
Automobile Liability	\$1,000,000
Comprehensive (\$500 deductible)	
Collisions (\$500 deductible)	
Building and Contents - replacement cost (\$5,000 deductible)	24,161,000
Equipment Breakdown (\$5,000 deductible)	24,161,000
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	3,000,000
Employee Benefits Liability (\$1,000 Deductible):	
Each Offence Limit	1,000,000
Aggregate Limit	3,000,000
Employers' Liability:	
Each Occurrence	1,000,000
Each Employee	1,000,000
Educational Legal Liability (\$5,000 Deductible):	
Errors and Omissions/Aggregate	1,000,000/3,000,000
Employment Practices/Aggregate	1,000,000/3,000,000

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

B. Workers' Compensation

For fiscal year 2010, the Career Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center 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. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

Note 11 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. No more than two years of vacation is permitted to be carried forward and should be used in the fiscal year following accrual. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 270 days. Upon retirement, employees receive payment equal to the percentages as stated below:

One-fourth of their accrued but unused sick leave to a maximum 68 days for employees having less than fifteen years of service.

Thirty percent of their accrued but unused sick leave to a maximum 81 days for employees having fifteen or more years of service.

B. Insurance

The Career Center provides medical/surgical insurance through Medical Mutual of Ohio for all eligible employees. The Career Center pays between 95 to 100 percent of the cost of individual plans and between 85 and 100 percent of the monthly family coverage premiums, depending on the plan selected by the employee. Premiums are paid from the same funds that pay the employees' salaries.

The Career Center pays the total cost for life, dental, and vision insurance for its employees. Life insurance, dental, and accidental death and dismemberment insurance is provided through Core Source, and vision insurance is provided through Vision Service Plan.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The Career Center contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at www.ohsers.org under employers/audit resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute at an actuarially determined rate. The current Career Center rate is 14 percent of annual covered payroll. A portion of the Career Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Career Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008, were \$105,567, \$69,814, and \$70,587, respectively; 96.26 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The Career Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Career Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008, were \$435,494, \$411,039, and \$423,103, respectively; 89.81 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$15,192 made by the Career Center and \$22,939 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2010, one members of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 13 - Postemployment Benefits

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, .46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

The Career Center's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$15,234, \$47,508, and \$47,620, respectively; 18.32 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The Career Center's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008, were \$6,230, \$5,782, and \$5,094, respectively; 96.24 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$33,500, \$31,618, and \$32,546, respectively; 89.81 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 14 - Long-Term Obligations

The changes in the Career Center's long-term obligations during the fiscal year consist of the following:

	Principal Outstanding 6/30/09	Additions	Reductions	Principal Outstanding 6/30/10	Amounts Due in One Year
Governmental Activities:					
Energy Conservation Notes - 2.0%-5.9%					
July 23, 2002, \$615,000	\$370,000	\$0	\$40,000	\$330,000	\$40,000
Capital Leases	1,105,906	0	65,709	1,040,197	68,464
Qualified Zone Academy Bonds - 0%					
July 1, 2007, \$1,225,000	1,225,000	0	0	1,225,000	0
Sick Leave Benefits	439,647	46,404	27,813	458,238	10,871
Total Governmental Activities	\$3,140,553	\$46,404	\$133,522	\$3,053,435	\$119,335
Business-Type Activity:					
Capital Leases	\$3,346	\$0	\$3,346	\$0	\$0
Sick Leave Benefits	100,993	7,966	21,713	87,246	0
Total Business-Type Activities	\$104,339	\$7,966	\$25,059	\$87,246	\$0

Capital leases will be paid from the General Fund and the Adult Education Enterprise Fund. Sick leave benefits will be paid from the General Fund and the Food Service and Miscellaneous Federal Grants Special Revenue Funds.

In fiscal year 2003, the Career Center issued energy conservation notes for \$615,000. The energy conservation notes will be paid from tax revenues from the General Fund.

On July 1, 2007, the Career Center issued \$1,225,000 qualified zone academy bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), for roof repairs. The QZAB matures in 2022, with the entire principal balance coming due at maturity. The QZAB does not bear interest. To satisfy escrow requirements of the program, the Career Center placed \$1,225,000 in a debt service sinking escrow account for future payment of the bonds with US Bank, the fiscal agent. The escrow account will be invested with all of the proceeds to be used for the final payoff of the bonds in 2022. Along with the investment earnings of the escrow account, the Career Center is required to place \$68,249, annually into the debt service sinking escrow account that will be used for the final bond repayment in 2022. The value of the escrow account is recorded as restricted investments with fiscal agents in the General Fund.

The overall debt margin of the Career Center as of June 30, 2010, was \$101,514,660, with an unvoted debt margin of \$1,127,941.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Principal and interest requirements to retire the energy conservation notes outstanding at June 30, 2010, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2011	\$40,000	\$18,290	\$58,290
2012	40,000	15,930	55,930
2013	45,000	13,422	58,422
2014	45,000	10,768	55,768
2015	50,000	7,965	57,965
2016-2017	110,000	6,490	116,490
Total	<u>\$330,000</u>	<u>\$72,865</u>	<u>\$402,865</u>

Note 15 - Capital Leases – Lessee Disclosure

In prior years, the Career Center has entered into capitalized leases for heating and cooling systems upgrades. Each 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. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in 2010 were \$65,709 for the governmental activities.

	Governmental Activities
Property under Capital Lease	<u>\$1,470,246</u>
Less Accumulated Depreciation	<u>(122,519)</u>
Total June 30, 2010	<u><u>\$1,347,727</u></u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2010:

Fiscal Year Ending	Governmental Activities
2011	\$110,930
2012	110,930
2013	110,930
2014	110,930
2015	110,930
2016-2020	554,644
2021-2022	221,859
Total	<u>1,331,153</u>
Less: Amount Representing Interest	<u>(290,956)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$1,040,197</u></u>

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 16 - Jointly Governed Organizations

A. Southeastern Ohio Voluntary Education Cooperative (SEOVEC)

SEOVEC was created as a regional council of governments pursuant to State statutes. SEOVEC is a computer consortium formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. SEOVEC has 28 participants consisting of school districts in nine southeastern Ohio counties. SEOVEC is governed by a governing board which is selected by the member districts. SEOVEC possesses its own budgeting and taxing authority. During fiscal year 2010, the Career Center paid \$17,252 to SEOVEC. To obtain financial information, write to the Southeastern Ohio Voluntary Education Cooperative at 221 North Columbus Road, Athens, Ohio 45701.

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 136 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 32 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District's membership fee was \$300 for fiscal year 2010. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Note 17 - Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Plan

The Career Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (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 OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Career Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 18 - Contingencies

A. Grants

The Career Center 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.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2010.

B. Litigation

The Career Center is currently party to legal proceedings. The possible outcome and effect on the financial statements cannot be determined at this time.

Note 19 - Set-Asides

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

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may at the discretion of the board be returned to the District's general fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve. During fiscal year 2002, the Board of Education passed a resolution to maintain the refunds from the Bureau of Workers Compensation in the budget reserve pursuant to State Statute and at June 30, 2010, this continues to be set aside.

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

	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2009	\$29,855	(\$27,839)	\$28,932
Current Year Set-aside Requirement	73,986	73,986	0
Qualifying Disbursements	(51,572)	(9,999)	0
Total	<u>\$52,269</u>	<u>\$36,148</u>	<u>\$28,932</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$52,269</u>	<u>\$36,148</u>	<u>\$28,932</u>

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**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	2009/2010	10.555	\$ 5,409	\$ 5,409
Cash Assistance:				
School Breakfast Program	2009/2010	10.553	19,339	19,339
National School Lunch Program	2009/2010	10.555	45,017	45,017
Cash Assistance Subtotal			<u>64,356</u>	<u>64,356</u>
Total Child Nutrition Cluster			<u>69,765</u>	<u>69,765</u>
Fresh Fruit and Vegetable Program	2009/2010	10.582	<u>3,515</u>	<u>3,515</u>
Total U.S. Department of Agriculture			73,280	73,280
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Direct from Federal Government:</i>				
Federal Pell Grant Program	2010	84.063	504,646	504,646
<i>Passed Through Ohio Department of Education:</i>				
Career and Technical Education - Basic Grants to States	2009	84.048	28,944	25,977
	2010		<u>243,333</u>	<u>247,512</u>
Total Career and Technical Education - Basic Grants to States			<u>272,277</u>	<u>273,489</u>
Safe and Drug-Free Schools and Communities State Grants	2010	84.186	697	693
State Grants for Innovative Programs	2010	84.298		30
Improving Teacher Quality State Grants	2010	84.367	<u>268</u>	<u>230</u>
Total U.S. Department of Education			777,888	779,088
<u>APPALACHIAN REGIONAL COMMISSION</u>				
<i>Direct from Federal Government:</i>				
Appalachian Area Development	N/A	23.002	<u>104,000</u>	
Total Appalachian Regional Commission			<u>104,000</u>	<u>0</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 955,168</u>	<u>\$ 852,368</u>

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

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

The Career Center reports commodities consumed on the Schedule at fair value. The Career Center allocated donated food commodities to the respective program that benefited from the use of those donated food commodities.



Dave Yost • Auditor of State

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

Washington County Career Center
Washington County
21740 State Route 676
Marietta, Ohio 45750

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio (the Career Center), as of and for the year ended June 30, 2010, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated February 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Career Center's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Career Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Career Center's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Career Center's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

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

We intend this report solely for the information and use of management, the audit committee, the Board of Education, federal awarding agencies and pass-through entities and others within the Career Center. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 16, 2011



Dave Yost • Auditor of State

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

Washington County Career Center
Washington County
21740 State Route 676
Marietta, Ohio 45750

To the Board of Education:

Compliance

We have audited the compliance of the Washington County Career Center, Washington County, Ohio (the Career Center), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Career Center's major federal program for the year ended June 30, 2010. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the Career Center's major federal program. The Career Center's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Career Center's compliance based on our audit.

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

In our opinion, the Career Center complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the audit committee, management, the Board of Education, others within the Career Center, federal awarding agencies, and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 16, 2011

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Federal Pell Grant Program – CFDA #84.063
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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Dave Yost • Auditor of State

WASHINGTON COUNTY CAREER CENTER

WASHINGTON 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
MARCH 10, 2011