



Dave Yost • Auditor of State



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Vantage Career Center  
Van Wert County  
818 N. Franklin St.  
Van Wert, Ohio 45891

To the Board Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, Ohio (the Career Center), as of and for the year ended June 30, 2011, 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, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, Ohio, as of June 30, 2011, and the respective changes in financial position 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.

As described in Note 3, during 2011, the District adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2012, 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 Schedule of Federal Awards Receipts and Expenditures (the Schedule) provides additional information required by the 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

January 31, 2012

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The discussion and analysis of the Vantage Career Center (the "Career Center") financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Career Center's financial performance.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- In total, net assets of governmental activities increased \$1,321,580 which represents an 4.86% increase from 2010 restated net assets.
- General revenues accounted for \$8,629,571 in revenue or 74.55% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,945,889 or 25.45% of total revenues of \$11,575,460.
- The Career Center had \$10,253,880 in expenses related to governmental activities; only \$2,945,889 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$8,629,571 were adequate to provide for these programs.
- The Career Center's major governmental funds are the general fund, bond retirement fund, building fund and classroom facilities fund. The general fund had \$7,937,475 in revenues and \$7,468,529 in expenditures and other financing uses. The general fund's fund balance increased \$468,946 from a restated fund balance of \$2,445,412 to \$2,914,358.
- The bond retirement fund had \$14,054,162 in revenues and other financing sources and \$14,003,302 in expenditures. The bond retirement fund's fund balance increased \$50,860 from \$646,869 to \$697,729.
- The building fund had \$5,433,712 in revenues and other financing sources and \$1,686,826 in expenditures. The building fund's fund balance increased \$3,746,886 from \$5,513,459 to \$9,260,345.
- The classroom facilities fund had \$6,212,536 in revenues and \$2,322,680 in expenditures. The classroom facilities fund balance increased 3,889,856 from \$6,824,820 to \$10,714,676.

**Using the Basic Financial Statements (BFS)**

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED  
(Continued)**

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. In the case of the Career Center, the general fund, bond retirement fund, building fund and classroom facilities fund are by far the most significant funds, and the only governmental funds reported as major funds.

**Reporting the Career Center as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the Career Center to provide programs and activities, the view of the Career Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the governmental activities include the Career Center's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

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

**Reporting the Career Center's Most Significant Funds**

**Fund Financial Statements**

The analysis of the Career Center's major governmental funds begins on page 9. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, bond retirement fund, building fund and classroom facilities fund.



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED  
(Continued)**

**Governmental Funds**

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

**Reporting the Career Center's Fiduciary Responsibilities**

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in agency funds. All of the Career Center's fiduciary activities are reported in a separate statement of fiduciary net assets on page 22. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21-48 of this report.

**The Career Center as a Whole**

Recall that the statement of net assets provides the perspective of the Career Center as a whole.

The table below provides a summary of the Career Center's net assets for 2011 and 2010. The Career Center restated net assets at June 30, 2010 as described in Note 3.B.

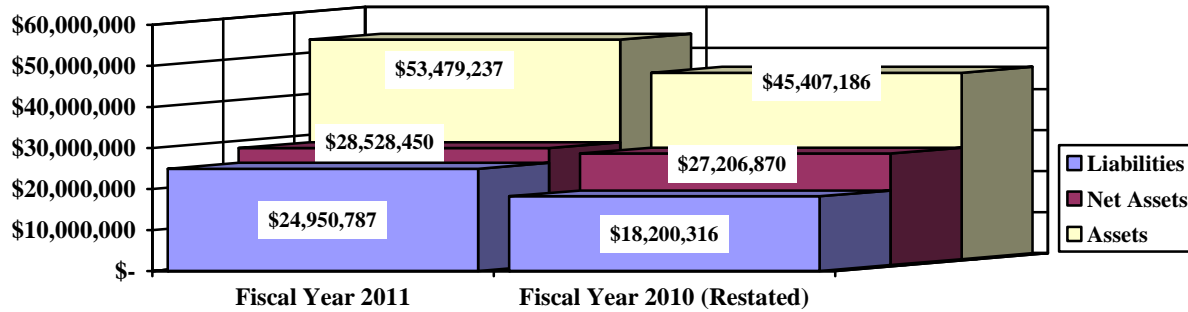
<b>Net Assets</b>		
	<b>Governmental Activities 2011</b>	<b>Restated Governmental Activities 2010</b>
<b>Assets:</b>		
Current assets	\$45,328,196	\$41,197,848
Capital assets, net	8,151,041	4,209,338
<b>Total assets</b>	<b>53,479,237</b>	<b>45,407,186</b>
<b>Liabilities:</b>		
Current liabilities	6,695,552	5,112,209
Long-term liabilities	18,255,235	13,088,107
<b>Total liabilities</b>	<b>24,950,787</b>	<b>18,200,316</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	5,432,499	3,670,908
Restricted	20,281,997	17,898,161
Unrestricted	2,813,954	5,637,801
<b>Total net assets</b>	<b>\$28,528,450</b>	<b>\$27,206,870</b>

The table below provides a summary of the Career Center's governmental net assets for 2011 and 2010:

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED  
(Continued)**

**Governmental – Net Assets**



The table below shows the change in net assets for fiscal year 2011 and 2010.

**Change in Net Assets**

	<b>Governmental Activities 2011</b>	<b>Restated Governmental Activities 2010</b>
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for services and sales	\$ 1,762,097	\$ 1,629,312
Operating grants and contributions	1,183,792	1,173,105
<b>General Revenues:</b>		
Property taxes	3,873,059	3,668,793
Grants and entitlements	4,636,324	4,298,015
Ohio School Facilities Grant		16,254,416
Investment earnings	146,271	154,211
FMV adjustment	(48,205)	
Miscellaneous	22,122	16,221
<b>Total Revenues</b>	<b>11,575,460</b>	<b>27,194,073</b>
<b>Expenses:</b>		
<b>Program Expenses:</b>		
<b>Instruction:</b>		
Vocational	5,072,456	5,619,903
Adult education	856,524	855,498
<b>Support Services:</b>		
Pupil	544,603	485,948
Instructional staff	279,919	290,023
Board of education	148,010	57,850
Administration	455,891	624,983
Fiscal	405,268	360,683
Business	17,935	
Operations and maintenance	586,657	695,844
Pupil transportation	17,934	21,782
Central	738,373	459,303

(Continued)

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED  
(Continued)**

**Change in Net Assets  
(Continued)**

	<b>Governmental Activities 2011</b>	<b>Restated Governmental Activities 2010</b>
<b>Expenses: (Continued)</b>		
<b>Operation of Non-Instructional Services:</b>		
Other non-instructional services	15,097	9,450
Food service operations	257,264	243,304
Extracurricular activities	44,879	43,471
Interest and fiscal charges	813,070	74,719
Total Expenses	<u>10,253,880</u>	<u>9,842,761</u>
Changes in net assets	1,321,580	17,351,312
Net assets at beginning of year (restated)	<u>27,206,870</u>	<u>9,855,558</u>
Net assets at end of year	<u>\$18,528,450</u>	<u>\$27,206,870</u>

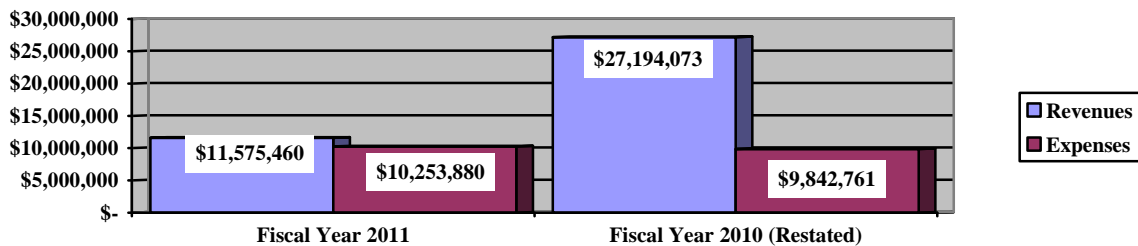
**Governmental Activities**

Net assets of the Career Center's governmental activities increased \$1,321,580. Total governmental expenses of \$10,253,880 were offset by program revenues of \$2,945,889 and general revenues of \$8,629,571. Program revenues supported 28.73% of the total governmental expenses.

The largest source of revenue comes from property taxes and unrestricted grants and entitlements, which account for 73.51% of total governmental revenues. Unrestricted grants and entitlements include monies received from the Ohio Department of Education, State foundation, and property tax relief such as homestead rollbacks and exemptions.

The graph below presents the Career Center's governmental activities revenue and expenses for fiscal years 2011 and 2010.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2011 and 2010. It identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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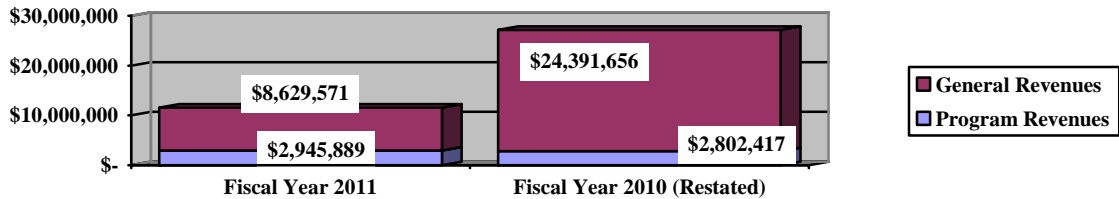
**Governmental Activities**

	<b>Total Cost of Services 2011</b>	<b>Net Cost of Services 2011</b>	<b>Restated Total Cost of Services 2010</b>	<b>Restated Net Cost of Services 2010</b>
<b>Program expenses:</b>				
<b>Instruction:</b>				
Vocational	\$ 5,072,456	\$3,568,177	\$5,619,903	\$4,147,873
Adult education	856,524	(33,160)	855,498	61,692
<b>Support services:</b>				
Pupil	544,603	369,495	485,948	326,318
Instructional staff	279,919	256,121	290,023	249,195
Board of Education	148,010	148,010	57,850	57,850
Administration	455,891	353,635	624,983	506,034
Fiscal	405,268	403,925	360,683	358,870
Business	17,935	17,935		
Operations and maintenance	586,657	566,033	695,844	695,694
Pupil transportation	17,934	17,934	21,782	21,782
Central	738,373	717,134	459,303	455,411
<b>Operations of non-instructional services:</b>				
Other non-instructional services	15,097	15,097	9,450	9,450
Food service operations	257,264	49,706	243,304	32,514
Extracurricular activities	44,879	44,879	43,471	42,942
Interest and fiscal charges	813,070	813,070	74,719	74,719
<b>Total expenses</b>	<b>\$10,253,880</b>	<b>\$7,307,991</b>	<b>\$9,842,761</b>	<b>\$7,040,344</b>

The dependence upon tax revenues during fiscal year 2011 for governmental activities is apparent, as 59.62% of 2011 instruction activities are supported through taxes and other general revenues. All governmental activities general revenue support was 71.27% in 2011.

The graph below presents the Career Center's governmental activities revenue for fiscal years 2011 and 2010.

**Governmental Activities - General and Program Revenues**



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED  
(Continued)**

**The Career Center's Funds**

The Career Center's governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$28,826,095, which is higher than last year's total of \$20,320,705. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2011 and 2010. The Career Center restated fund balance at June 30, 2010 as described in Note 3.B.

	<b>Fund Balance June 30, 2011</b>	<b>Restated Fund Balance June 30, 2010</b>	<b>Increase</b>
General	\$ 2,914,358	\$ 2,445,412	\$ 468,946
Bond Retirement	697,729	646,869	50,860
Building	9,260,345	5,513,459	3,746,886
Classroom Facilities	10,714,676	6,824,820	3,889,856
Other Governmental	5,238,987	4,890,145	348,842
Total	<u>\$28,826,095</u>	<u>\$20,320,705</u>	<u>\$8,505,390</u>

**General Fund**

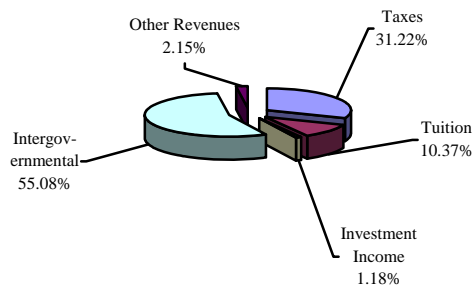
The Career Center's general fund balance increased \$468,946.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

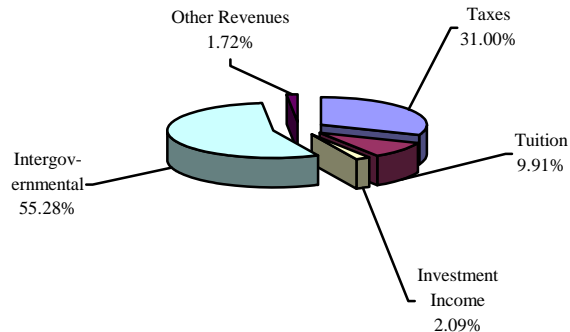
	<b>2011 Amount</b>	<b>Restated 2010 Amount</b>	<b>Percentage Change</b>
<b>Revenues:</b>			
Taxes	\$2,478,426	\$2,454,869	0.96%
Tuition	823,179	784,622	4.91%
Interest earnings	94,034	165,801	(43.29)%
Intergovernmental	4,371,794	4,378,141	(0.14)%
Other revenues	170,042	136,398	24.67%
Total	<u>\$7,937,475</u>	<u>\$7,919,831</u>	0.22%

Interest earnings decreased 43.29% due to decreasing interest rates during the year. Other revenue increased due to an increase in contract services and contributions and donations. All other revenue remained comparable to the prior fiscal year.

**Revenues – Fiscal Year 2011**



**Revenues – Fiscal Year 2010**



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

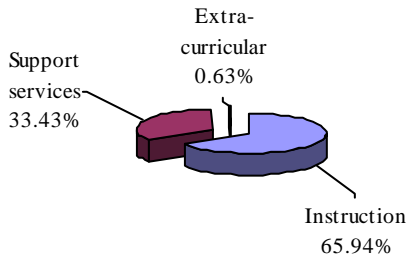
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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The table that follows assists in illustrating the expenditures of the general fund.

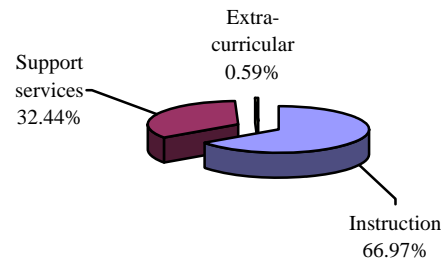
<b>Expenditures:</b>	<b>2011 Amount</b>	<b>Restated 2010 Amount</b>	<b>Percentage Change</b>
Instruction	\$4,700,463	\$4,901,364	(4.10)%
Support services	2,383,147	2,373,826	0.39%
Extracurricular activities	44,879	43,401	3.41%
<b>Total</b>	<b>\$7,128,489</b>	<b>\$7,318,591</b>	<b>(2.60)%</b>

All expenditures remained comparable to the prior fiscal year.

**Expenditures – Fiscal Year 2011**



**Expenditures – Fiscal Year 2010**



**Bond Retirement Fund**

The bond retirement fund had \$14,054,162 in revenues and other financing sources and \$14,003,302 in expenditures. The bond retirement fund's fund balance increased \$50,860 from \$646,869 to \$697,729.

**Building Fund**

The Career Center issued general obligation bonds during fiscal year 2011. A portion of the general obligation bonds were receipted into the building fund to finance the locally funded initiative portion of the project. The building fund had \$5,433,712 in revenues and other financing sources and \$1,686,826 expenditures. The building fund's fund balance increased \$3,746,886 from \$5,513,459 to \$9,260,345.

**Classroom Facilities Fund**

The State and local share of the OSFC project will be accounted for in the classroom facilities fund. During fiscal year 2011, the Career Center began receiving disbursements for the State share of the project and a portion of the general obligation bonds. The classroom facilities fund had \$6,212,536 in revenues and \$2,322,680 in expenditures. The classroom facilities fund balance increased \$3,889,856 from \$6,824,820 to \$10,714,676.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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**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 2011, the Career Center amended its general fund budget numerous times, none significant. The Career Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$158,897 higher than original budget estimates of \$7,722,895. Actual revenues and other financing sources were \$7,873,534; this was \$8,258 lower than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) of \$7,638,168 were increased to \$7,748,902 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2011 totaled \$7,730,539 which was \$18,363 less than the final budgeted appropriations.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2011, the Career Center had \$8,151,041 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The following table shows fiscal 2011 balances compared to 2010:

<b>Capital Assets at June 30, (Net of Depreciation) Governmental Activities</b>		
	<b>2011</b>	<b>Restated 2010</b>
Land	\$ 40,000	\$ 40,000
Land improvements	22,498	25,539
Building and improvements	1,833,331	1,955,150
Furniture and equipment	1,241,835	1,163,487
Vehicles	63,993	85,285
Construction in progress	4,949,384	939,877
Total	<b>\$8,151,041</b>	<b>\$4,209,338</b>

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
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**Debt Administration**

At June 30, 2011 the Career Center had \$87,958 in capital lease obligations outstanding and \$17,370,000 in general obligation bonds payable. Of this total, \$509,139 is due within one year and \$16,948,819 is due in greater than one year. The following table summarizes the lease obligations outstanding.

<b>Outstanding Debt, at Year End</b>		
	<b>Governmental Activities 2011</b>	<b>Governmental Activities 2010</b>
<b>General obligation bonds:</b>	\$17,370,000	
Capital lease obligations	87,958	\$ 140,139
Bond anticipation notes		12,409,000
<b>Total</b>	<b>\$17,457,958</b>	<b>\$12,549,139</b>

At June 30, 2011 the Career Center's overall legal debt margin was \$79,233,777 with an unvoted debt margin of \$1,065,623.

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

**Current Financial Related Activity**

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

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

The Career Center's enrollment was stable for fiscal year 2011 and it appears fiscal year 2012 is going to remain. But as the Career Center looks to the future, we could see an enrollment decrease due to the associate schools' enrollment declining. The Board of Education and administration are actively looking at marketing strategies that will keep our enrollment increasing. At this time, the State of Ohio is guaranteeing the Career Center's funding to be the same as fiscal year 2011. In the midst of the depressed economy, this is good news for the Career Center.

On November 3, 2009 the Career Center's voters approved a 1.05 mill bond issue to fund a building project. The Career Center has partnered with the Ohio Schools Facilities Commission. The project consists of renovations and additions. The total project cost is \$34,680,000. The anticipated completion date is December 31, 2012.

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

**Contacting the Career Center's Financial Management**

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



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	<b>Governmental Activities</b>
<hr/>	
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$19,663,259
Investments	11,720,182
<b>Receivables:</b>	
Taxes	4,283,508
Accounts	15,618
Intergovernmental	9,229,600
Accrued interest	12,880
Prepayments	42,961
Materials and supplies inventory	85,799
Unamortized bond issuance costs	274,389
<b>Capital assets:</b>	
Land and construction in progress	4,989,384
Depreciable capital assets, net	3,161,657
Capital assets, net	<hr/> 8,151,041
Total assets	<hr/> <hr/> 53,479,237
<b>Liabilities:</b>	
Accounts payable	90,951
Contracts payable	2,177,472
Accrued wages and benefits	624,429
Pension obligation payable	92,607
Intergovernmental payable	33,711
Accrued interest payable	70,944
Unearned revenue	3,605,438
<b>Long-term liabilities:</b>	
Due within one year	579,399
Due in more than one year	17,675,836
Total liabilities	<hr/> 24,950,787
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	5,432,499
<b>Restricted for:</b>	
Capital projects	18,555,243
Classroom facilities maintenance	450,080
Debt service	789,789
Federally funded programs	9,708
Other purposes	477,177
Unrestricted	2,813,954
Total net assets	<hr/> <hr/> <hr/> \$28,528,450

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
			<u>Governmental Activities</u>	
<b>Governmental activities:</b>				
<b>Instruction:</b>				
Vocational	\$5,072,456	\$931,153	\$573,126	(\$3,568,177)
Adult/continuing	856,524	608,504	281,180	33,160
<b>Support services:</b>				
Pupil	544,603		175,108	(369,495)
Instructional staff	279,919	2,165	21,633	(256,121)
Board of education	148,010			(148,010)
Administration	455,891	79,780	22,476	(353,635)
Fiscal	405,268		1,343	(403,925)
Business	17,935			(17,935)
Operations and maintenance	586,657	16,637	3,987	(566,033)
Pupil transportation	17,934			(17,934)
Central	738,373	15,519	5,720	(717,134)
<b>Operation of non-instructional services:</b>				
Other non-instructional services	15,097			(15,097)
Food service operations	257,264	108,339	99,219	(49,706)
Extracurricular activities	44,879			(44,879)
Interest and fiscal charges	813,070			(813,070)
<b>Totals</b>	<b><u>\$10,253,880</u></b>	<b><u>\$1,762,097</u></b>	<b><u>\$1,183,792</u></b>	<b><u>(7,307,991)</u></b>

**General Revenues:**

**Property taxes levied for:**

General purposes	2,476,612
Debt service	951,484
Capital projects	444,963
Grants and entitlements not restricted to specific programs	4,636,324
Investment earnings	146,271
Decrease in FMV of investments	(48,205)
Miscellaneous	22,122
<b>Total general revenues</b>	<b><u>8,629,571</u></b>
 Change in net assets	 1,321,580
 Net assets at beginning of year (restated)	 <u>27,206,870</u>
 Net assets at end of year	 <u><u>\$28,528,450</u></u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Equity in pooled cash and cash equivalents	\$3,255,976	\$624,594	\$5,128,805	\$5,301,543	\$5,352,341	\$19,663,259
Investments			4,978,465	6,741,717		11,720,182
<b>Receivables:</b>						
Taxes	2,762,236	1,031,659			489,613	4,283,508
Accounts	15,608				10	15,618
Intergovernmental				9,192,587	37,013	9,229,600
Accrued interest	139		5,418	7,323		12,880
Interfund loans	34,200					34,200
Prepayments	42,961					42,961
Materials and supplies inventory	81,934				3,865	85,799
Total assets	<u>6,193,054</u>	<u>1,656,253</u>	<u>10,112,688</u>	<u>21,243,170</u>	<u>5,882,842</u>	<u>45,088,007</u>
<b>Liabilities:</b>						
Accounts payable	8,996				81,955	90,951
Contracts payable			847,389	1,330,083		2,177,472
Accrued wages and benefits	572,062				52,367	624,429
Compensated absences payable	17,928					17,928
Pension obligation payable	78,527				14,080	92,607
Intergovernmental payable	28,426				5,285	33,711
Interfund loans payable					34,200	34,200
Deferred revenue	246,065	92,060	4,954	9,198,411	43,686	9,585,176
Un-earned revenue	2,326,692	866,464			412,282	3,605,438
Total liabilities	<u>3,278,696</u>	<u>958,524</u>	<u>852,343</u>	<u>10,528,494</u>	<u>643,855</u>	<u>16,261,912</u>
<b>Fund Balances:</b>						
<b>Non-spendable:</b>						
Materials and supplies inventory	81,934				3,865	85,799
Prepayments	42,961					42,961
<b>Restricted:</b>						
Debt service		697,729				697,729
Capital improvements			9,260,345	10,714,676	877,719	20,852,740
Adult education					486,760	486,760
Classroom facilities maintenance					450,080	450,080
Other purposes					125	125
<b>Committed:</b>						
Capital improvements					3,459,197	3,459,197
<b>Assigned:</b>						
Student instruction	33,005					33,005
Student and staff support	78,334					78,334
Extracurricular activities	1,278					1,278
Other purposes	200,575					200,575
Unassigned (deficit)	2,476,271				(38,759)	2,437,512
Total fund balances	<u>2,914,358</u>	<u>697,729</u>	<u>9,260,345</u>	<u>10,714,676</u>	<u>5,238,987</u>	<u>28,826,095</u>
Total liabilities and fund balances	<u>\$6,193,054</u>	<u>\$1,656,253</u>	<u>\$10,112,688</u>	<u>\$21,243,170</u>	<u>\$5,882,842</u>	<u>\$45,088,007</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2011**

Total governmental fund balances		\$28,826,095
Amounts reported for governmental activities on the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		8,151,041
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$381,811	
Accrued interest receivable	10,778	
Intergovernmental receivable	9,192,587	
Total	9,585,176	9,585,176
Unamortized bond issuance costs are not recognized in the funds governmental activities in the statement of net assets.		274,389
Unamortized premiums on bond issuance costs are not recognized in the funds.		(264,695)
On the statement of net assets, interest is accrued on outstanding bonds, whereas in governmental funds, interest is accrued when due.		(70,944)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable	(17,370,000)	
Capital leases payable	(87,958)	
Compensated absences payable	(514,654)	
Total	(17,972,612)	(17,972,612)
Net assets of governmental activities		\$28,528,450

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
<b>From local sources:</b>						
Taxes	\$2,478,426	\$952,018			\$445,987	\$3,876,431
Tuition	823,179				716,006	1,539,185
Earnings on investments	94,034	666	\$20,651	\$21,722		137,073
Decrease in FMV of investments			(46,939)	(1,266)		(48,205)
Charges for services					108,339	108,339
Classroom materials and fees	21,313					21,313
Extracurricular	2,352					2,352
Rental income	1,399					1,399
Contributions and donations	37,000				125	37,125
Contract services	86,661				2,848	89,509
Other local revenues	21,317				1,238	22,555
Intergovernmental - intermediate	31,834					31,834
Intergovernmental - state	4,339,960	176,825		6,192,080	353,720	11,062,585
Intergovernmental - federal		242,608			637,611	880,219
Total revenues	<u>7,937,475</u>	<u>1,372,117</u>	<u>(26,288)</u>	<u>6,212,536</u>	<u>2,265,874</u>	<u>17,761,714</u>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Vocational	4,700,463				344,550	5,045,013
Adult/continuing					853,435	853,435
<b>Support services:</b>						
Pupil	368,556				174,169	542,725
Instructional staff	253,240				24,045	277,285
Board of education	97,243					97,243
Administration	400,366				99,186	499,552
Fiscal	303,464	33,192			24,540	361,196
Business	17,935					17,935
Operations and maintenance	596,630				18,335	614,965
Pupil transportation	1,981					1,981
Central	343,732				393,057	736,789
<b>Operation of non-instructional services:</b>						
Other non-instructional services					5,647	5,647
Food service operations					248,749	248,749
Extracurricular activities	44,879					44,879
Facilities acquisition and construction			1,686,826	2,322,680	3,563	4,013,069
<b>Debt service:</b>						
Principal retirement		12,908,000			52,181	12,960,181
Interest and fiscal charges		779,065			15,615	794,680
Bond issuance costs		283,045				283,045
Total expenditures	<u>7,128,489</u>	<u>14,003,302</u>	<u>1,686,826</u>	<u>2,322,680</u>	<u>2,257,072</u>	<u>27,398,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>808,986</u>	<u>(12,631,185)</u>	<u>(1,713,114)</u>	<u>3,889,856</u>	<u>8,802</u>	<u>(9,636,655)</u>
<b>Other financing sources (uses):</b>						
Premium on bonds		273,045				273,045
Sale of bonds		12,409,000	5,460,000			17,869,000
Transfers in					340,040	340,040
Transfers (out)	(340,040)					(340,040)
Total other financing sources (uses)	<u>(340,040)</u>	<u>12,682,045</u>	<u>5,460,000</u>		<u>340,040</u>	<u>18,142,045</u>
Net change in fund balances	468,946	50,860	3,746,886	3,889,856	348,842	8,505,390
Fund balances at beginning of year (restated)	2,445,412	646,869	5,513,459	6,824,820	4,890,145	20,320,705
Fund balances at end of year	<u>\$2,914,358</u>	<u>\$697,729</u>	<u>\$9,260,345</u>	<u>\$10,714,676</u>	<u>\$5,238,987</u>	<u>\$28,826,095</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Net change in fund balances - total governmental funds \$8,505,390

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 exceed depreciation expense in the current period.

Capital asset additions	\$4,474,390	
Current year depreciation	(473,729)	
<b>Total</b>	<b>4,000,661</b>	<b>4,000,661</b>

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities a loss is reported for each disposal.

(58,958)

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

Taxes	(3,372)	
Accrued interest	9,198	
Intergovernmental	(6,192,080)	
<b>Total</b>	<b>(6,186,254)</b>	<b>(6,186,254)</b>

Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Notes	12,409,000	
Bonds	499,000	
Capital leases	52,181	
<b>Total</b>	<b>12,960,181</b>	<b>12,960,181</b>

Issuance of bonds are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net assets.

(17,869,000)

Premiums on bonds and bond issuance costs related to the issuance of bonds are amortized over the life of the issuance in the statement of activities. The following transactions occurred in the year:

Premiums on bonds	(273,045)	
Bond issuance costs	283,045	
<b>Total</b>	<b>10,000</b>	<b>10,000</b>

Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. More interest is reported in the statement of activities due to the following:

Increase in accrued interest payable	(18,084)	
Amortization of bond issuance costs	(8,656)	
Amortization of bond premiums	8,350	
<b>Total</b>	<b>(18,390)</b>	<b>(18,390)</b>

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

(22,050)

Change in net assets of governmental activities \$1,321,580

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
<b>From local sources:</b>				
Property taxes	\$2,408,632	\$2,463,925	\$2,463,925	
Tuition	747,053	807,347	807,347	
Earnings on investments	160,301	99,000	96,941	(\$2,059)
Classroom materials and fees	27,435	21,313	21,313	
Rental income	135			
Other local revenues	10,819	9,716	9,717	1
Intergovernmental - intermediate	27,648	31,834	31,834	
Intergovernmental - state	4,235,086	4,339,960	4,339,960	
Total revenues	<u>7,617,109</u>	<u>7,773,095</u>	<u>7,771,037</u>	<u>(2,058)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Vocational	4,590,899	4,784,530	4,766,714	17,816
<b>Support services:</b>				
Pupil	332,477	382,983	382,983	
Instructional staff	268,763	288,016	288,016	
Board of education	(44,033)	96,707	96,707	
Administration	485,135	415,190	415,190	
Fiscal	302,527	339,780	339,712	68
Operations and maintenance	614,288	615,620	615,620	
Pupil transportation	4,123	2,217	2,217	
Central	344,101	345,245	344,766	479
Extracurricular activities	35,152	48,674	48,674	
Total expenditures	<u>6,933,432</u>	<u>7,318,962</u>	<u>7,300,599</u>	<u>18,363</u>
Excess of revenues over expenditures	<u>683,677</u>	<u>454,133</u>	<u>470,438</u>	<u>16,305</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures	1,350	451	451	
Transfers (out)	(666,936)	(341,240)	(341,240)	
Advances in	100,696	100,696	94,496	(6,200)
Advances (out)	(37,800)	(88,700)	(88,700)	
Sale of capital assets	3,740	7,550	7,550	
Total other financing sources (uses)	<u>(598,950)</u>	<u>(321,243)</u>	<u>(327,443)</u>	<u>(6,200)</u>
Net change in fund balance	84,727	132,890	142,995	10,105
Fund balance at beginning of year	2,742,349	2,742,349	2,742,349	
Prior year encumbrances appropriated	48,816	48,816	48,816	
Fund balance at end of year	<u>\$2,875,892</u>	<u>\$2,924,055</u>	<u>\$2,934,160</u>	<u>\$10,105</u>

See accompanying notes to the basic financial statements.

VANTAGE CAREER CENTER  
VAN WERT COUNTY

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$49,388
Total assets	<u>49,388</u>
<b>Liabilities:</b>	
Accounts payable	27
Held for employees medical and dental reimbursements	22,620
Due to students	26,741
Total liabilities	<u>\$49,388</u>

*See accompanying notes to the basic financial statements.*



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**1. DESCRIPTION OF THE CAREER CENTER**

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

Career Centers provide job training for residents of participating districts. The Career Center provides various courses of instruction at the high school and adult education level. These courses include office occupation education, computer technology, auto and construction trades and cosmetology. The Career Center also provides support services for the pupils, instructional staff, facilities acquisitions and construction services, operation and maintenance of plant, food services, extracurricular activities, and nonprogrammed services. It is staffed by 29 non-certified employees and 63 certified full-time teaching personnel, who provide services to 553 full-time equivalent students and other community members.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

Component units are legally separate organizations for which the Career Center is financially accountable. The Career Center is financially accountable for an organization if the Career Center appoints a voting majority of the organization's Governing Board and (1) the Career Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Career Center is legally entitled to or can otherwise access the organization's resources; or (3) the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Based upon the application of these criteria, the Career Center has no component units. The basic financial statements of the reporting entity include only those of the Career Center (the primary government). The following organizations are described due to their relationship to the Career Center:

**Jointly Governed Organizations**

**Northwest Ohio Area Computer Services Cooperative (NOACSC)**

The Career Center is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts.

The Governing Board of NOACSC consists of two representatives from each county, elected by majority vote of all charter member school districts within each county, plus one representative from the fiscal agent school district. Financial information is available from Ray Burden, Director, at 645 South Main Street, Lima, Ohio 45804.

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

**B. Fund Accounting**

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

**1. Governmental Funds**

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

The following are the Career Center's major governmental funds:

**General fund** –The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Bond retirement fund** – The bond retirement fund is used to account for the accumulation of restricted resources and payment of general obligation bond and note principal, interest and related costs.

**Building fund** – This fund is used to account for monies received and expended in connection with the renovation and construction of Career Center buildings.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classroom facilities fund** – The classroom facilities capital projects fund is used to account for financial resources and expenditures related to the school facilities construction project.

Other governmental funds of the Career Center are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

**2. Fiduciary Funds**

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

**C. Basis of Presentation and Measurement Focus**

**1. Government-wide Financial Statements**

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

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

- 2. Fund Financial Statements** – Fund financial statements report detailed information about the Career Center. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**D. Basis of Accounting**

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

**1. Revenues – Exchange and Non-exchange Transactions**

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

Non-exchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from 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 year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

**2. Unearned Revenue and Deferred Revenue**

Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2011 are recorded as deferred revenue on the fund financial statements.

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

**3. Expenses/Expenditures**

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

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

**E. Budgets**

The Career Center is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2011 is as follows:

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

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

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Career Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2011.

**VANTAGE CAREER CENTER  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Any revisions that alter the total of any fund and object appropriation must be approved by the Board of Education.

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

Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2011. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

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

**F. Cash and Investments**

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

During fiscal year 2011, investments were limited to negotiable and nonnegotiable certificates of deposits, municipal bonds, and U.S. Government money market mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Career Center, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$94,034, which includes \$60,905 assigned from other funds.

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

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

**VANTAGE CAREER CENTER  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. At fiscal year end, because materials and supplies inventory are not available to finance future governmental fund expenditures, a non-spendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

General capital assets are those related to government activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Career Center maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Career Center does not possess infrastructure.

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:

<b>Description</b>	<b>Governmental Activities Estimated Lives</b>
Land improvements	20 years
Buildings and improvements	20 – 50 years
Furniture and equipment	10 – 20 years
Vehicles	8 years

**I. Interfund Balances**

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

**J. Compensated Absences**

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2011, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service (including a minimum of 5 years of service with the Career Center); or 20 years' service at any age were considered.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2011 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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

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

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

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

**L. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Career Center is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Non-spendable** – The non-spendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

**Restricted** – Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Career Center Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Career Center Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Career Center applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. There were no net assets restricted by enabling legislation.

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

**N. Prepayments**

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Estimates**

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

**P. Interfund Activity**

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

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2011.

**R. Unamortized Issuance Costs/Bond Premium**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the government fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 10.

**3. ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2011, the Career Center has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**3. ACCOUNTABILITY AND COMPLIANCE (Continued)**

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the Career Center.

**B. Fund Reclassifications**

Fund reclassifications are required in order to report funds in accordance with GASB Statement No. 54. In addition, fund reclassifications have been made to report funds previously classified as enterprise funds, the food service fund and rotary fund – special services, as a non-major special revenue fund and a component of the general fund, respectively. The fees received by these funds are not designed to cover all costs associated with the operation of the programs. The funds are largely supported by intergovernmental grants and entitlements and should be reported with the governmental funds rather than enterprise funds.

These fund reclassifications had the following effect on the District's governmental fund balances as previously reported.

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Non-major Governmental</u>	<u>Total Governmental</u>
Fund balance as previously reported	\$2,287,128	\$646,869	\$5,513,459	\$6,824,820	\$4,903,860	\$20,176,136
<b>Fund reclassifications:</b>						
Food service fund					(564)	(564)
Endowment fund	9,659				(9,659)	
Rotary fund – special services	145,133					145,133
Public school support fund	3,492				(3,492)	
Total fund reclassifications	<u>158,284</u>				<u>(13,715)</u>	<u>144,569</u>
Restated fund balance at July 1, 2010	<u>\$2,445,412</u>	<u>\$646,869</u>	<u>\$5,513,459</u>	<u>\$6,824,820</u>	<u>\$4,890,145</u>	<u>\$20,320,705</u>

The fund reclassifications had the following effect on the governmental activities and business-type activities net assets as previously reported:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net assets as previously reported	\$27,013,366	\$193,504
<b>Fund reclassifications:</b>		
Food service fund	(564)	564
Capital assets, net	48,935	(48,935)
Rotary fund – special services	145,133	(145,133)
Fund reclassification	<u>193,504</u>	<u>(193,504)</u>
Restated net assets at July 1, 2010	<u>\$27,206,870</u>	<u>\$ 0</u>

**C. Deficit Fund Balances**

Fund balances at June 30, 2011 included the following individual fund deficits:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**3. ACCOUNTABILITY AND COMPLIANCE (Continued)**

<u>Non-major funds</u>	<u>Deficit</u>
Food service	\$11,755
Management information systems	43
Vocational education enhancement	72
Vocational education	23,024

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

**4. DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the Career Center into three categories.

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

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

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

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (State Treasury Asset Reserve of Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Career Center, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At fiscal year end, the Career Center had \$1,115 in un-deposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and cash equivalents".

**B. Deposits with Financial Institutions**

At June 30, 2011, the carrying amount of all Career Center deposits was \$6,832,597. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2011, \$5,422,135 of the Career Center's bank balance of \$7,171,731 was exposed to custodial risk as discussed below, while \$1,749,596 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the Career Center's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Career Center. The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**C. Investments**

As of June 30, 2011, the Career Center had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>
Municipal bonds	\$ 658,087		\$ 501,310	\$ 156,777
Negotiable CD's	8,642,265	\$ 2,988,845	4,659,664	993,756
U.S. Government money market mutual funds	15,298,765	15,298,765		
<b>Total</b>	<b>\$24,599,117</b>	<b>\$18,287,610</b>	<b>\$5,160,974</b>	<b>\$1,150,533</b>

The weighted average maturity of investments is 0.26 years.

**Interest Rate Risk:** Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The Career Center's investment policy places a five year limit on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:** The Career Center's municipal bonds were rated AA1 and AA+ by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned the U.S. government money market mutual funds an AAAM money market rating. The Career Center's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

**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 municipal bonds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Career Center's name. The Career Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Concentration of Credit Risk:** The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2011:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Municipal bonds	\$ 658,087	2.68
Negotiable CD's	8,642,265	35.13
U.S. Government money market mutual funds	15,298,765	62.19
<b>Total</b>	<b>\$24,599,117</b>	<b>100.00</b>

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

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net assets as of June 30, 2011:

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(Continued)**

**4. DEPOSITS AND INVESTMENTS (Continued)**

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,832,597
Investments	24,599,117
Cash on hand	<u>1,115</u>
Total	<u>\$ 31,432,829</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 31,383,441
Agency funds	<u>49,388</u>
Total	<u>\$ 31,432,829</u>

**5. INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 2011 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Non-major governmental funds	<u>\$34,200</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Interfund transfers for the year ended June 30, 2011, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Non-major governmental funds	<u>\$340,040</u>

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

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

**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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**6. PROPERTY TAXES (Continued)**

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the Career Center. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in the Career Center's fiscal year ended June 30, 2011 (other than public utility property) generally represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. 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 were due September 20, 2010. Single county taxpayers could pay annually or semiannually. If paid semiannually, the first payment was due April 30, 2010, with the remainder payable by September 20, 2010.

The Career Center receives property taxes from Van Wert County. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available as an advance at June 30, 2011 was \$189,479 in the general fund, \$73,135 in the bond retirement fund and \$33,645 in the permanent improvement fund (a non-major governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2010 was \$173,876 in the general fund, \$65,843 in the bond retirement fund and \$30,439 in the permanent improvement fund (a non-major governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been deferred.

The assessed values upon which the fiscal year 2011 taxes were collected are:



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**6. PROPERTY TAXES (Continued)**

	<b>2010 Second Half Collections</b>		<b>2011 First Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Agricultural/residential and other real estate	\$ 959,576,610	94.77	\$1,007,431,130	94.50
Public utility personal	51,718,210	5.11	58,191,630	5.46
Tangible personal property	1,257,740	0.12	497,110	0.04
<b>Total</b>	<b>\$1,012,552,560</b>	<b>100.00</b>	<b>\$1,066,119,870</b>	<b>100.00</b>
 Tax rate per \$1,000 of assessed valuation	 \$4.85		 \$4.85	

**7. RECEIVABLES**

Receivables at June 30, 2011 consisted of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

<b>Governmental activities:</b>	
Taxes	\$ 4,283,508
Accounts	15,618
Intergovernmental	9,229,600
Accrued interest	12,880
<b>Total receivables</b>	<b><u>\$13,541,606</u></b>

Receivables have been disaggregated on the face of the financial statements. All receivables, except for \$9,192,587 of intergovernmental grants due from the Ohio Schools Facilities Commission (OSFC), are expected to be collected in the subsequent year. The OSFC grant amount will be collected over the life of the construction project.

**8. CAPITAL ASSETS**

Capital assets of the governmental activities have been restated at June 30, 2010 to include the capital assets of the business-type activities that have been reclassified into the governmental activities (See Note 3.B. for detail). Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<b>Restated Balance 06/30/2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 06/30/2011</b>
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 40,000			\$ 40,000
Construction in progress	939,877	\$4,009,507		4,949,384
<b>Total capital assets, not being depreciated</b>	<b>979,877</b>	<b>4,009,507</b>		<b><u>4,989,384</u></b>

(Continued)

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**8. CAPITAL ASSETS (Continued)**

	<b>Restated Balance 06/30/2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 06/30/2011</b>
<b>Governmental activities: (Continued)</b>				
<b>Capital assets, being depreciated:</b>				
Land improvements	209,596			209,596
Buildings and improvements	6,077,255			6,077,255
Furniture and equipment	4,066,134	464,883	(\$329,610)	4,201,407
Vehicles	304,987			304,987
Total capital assets, being depreciated	<u>10,657,972</u>	<u>464,883</u>	<u>(329,610)</u>	<u>10,793,245</u>
<b>Less: accumulated depreciation:</b>				
Land improvements	(184,057)	(3,041)		(187,098)
Building and improvements	(4,122,105)	(121,819)		(4,243,924)
Furniture and equipment	(2,902,647)	(327,577)	270,652	(2,959,572)
Vehicles	(219,702)	(21,292)		(240,994)
Total accumulated depreciation	<u>(7,428,511)</u>	<u>(473,729)</u>	<u>270,652</u>	<u>(7,631,588)</u>
Governmental activities capital assets, net	<u>\$4,209,338</u>	<u>\$4,000,661</u>	<u>(\$58,958)</u>	<u>\$8,151,041</u>

Depreciation expense was charged to governmental functions as follows:

<b>Instruction:</b>	
Vocational	\$412,736
Adult education	3,325
<b>Support services:</b>	
Pupil	117
Instructional staff	3,490
Administration	5,166
Fiscal	1,466
Operations and maintenance	15,993
Pupil transportation	15,953
Other non-instructional services	9,450
Extracurricular activities	6,033
Total depreciation expense	<u>\$473,729</u>

**9. CAPITAL LEASES – LESSEE DISCLOSURE**

In the current and previous years the Career Center entered into capitalized leases for a mailing machine and copier equipment. These lease agreements meet the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds and as a reduction to the liability for the principal portion on the government-wide financial statements. These expenditures are reported as function expenditures on the budgetary statements.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**9. CAPITAL LEASES – LESSEE DISCLOSURE (Continued)**

Copier equipment with a net present value of \$366 has not been capitalized since the asset does not meet the Career Center's capitalization threshold. Capital assets consisting of a mailing machine and copier equipment have been capitalized in the amount of \$242,104. This amount represents the fair market value of the copiers at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Accumulated depreciation as of June 30, 2011 was \$177,041, leaving a book value of \$65,063. Principal payments in fiscal year 2011 totaled \$50,517 paid by the permanent improvement fund (a non-major governmental fund) and \$1,664 paid by the adult education fund (a non-major governmental fund).

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2011:

Fiscal Year Ending June 30,	Amount
2012	\$62,481
2013	33,472
2014	1,573
Total minimum lease payments	97,526
Less: amount representing interest	(9,568)
Total	\$87,958

**10. LONG-TERM OBLIGATIONS**

During fiscal year 2011, the following activity occurred in long-term obligations:

	Balance Outstanding 6/30/2010	Additions	Reductions	Balance Outstanding 6/30/2011	Amounts Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds		\$17,869,000	(\$ 499,000)	\$17,370,000	\$455,000
Bond Anticipation Notes	\$12,409,000		(12,409,000)		
Capital Lease Obligations	140,139		(52,181)	87,958	54,139
Compensated Absences	538,968	92,992	(99,378)	532,582	70,260
Total Long-Term Obligations					
Governmental Activities	\$13,088,107	\$17,961,992	(\$13,059,559)	17,990,540	\$579,399
Add: Unamortized premium on refunding				264,695	
Total Long-Term Obligations				\$18,255,235	

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

**Bond anticipation notes** – On March 10, 2010, the Career Center issued \$12,409,000 in bond anticipation notes at an interest rate of 1.40%. The notes were issued in anticipation of the issuance of bonds for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and improving Career Center buildings and facilities, acquiring, clearing, improving and equipping real estate for school purposes. The notes matured on September 8, 2010. The notes were repaid by the proceeds of the bonds issued on August 8, 2010 from the bond retirement fund.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**10. LONG-TERM OBLIGATIONS (Continued)**

**General obligation bonds** – On August 8, 2010, the Career Center issued general obligation bonds (Series 2010, School Facilities Improvement Bonds) for construction and renovation of Career Center buildings as part of the Ohio School Facilities Commission project. These bonds are general obligations of the Career Center, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds will be recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net assets.

This issue is comprised of serial and term bonds, par value \$8,264,000 and \$9,605,000, respectively, present value \$17,869,000 at August 8, 2010.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated on this issue is December 1, 2037. The bonds bear an annual interest rate of 0.600 percent to 6.37 percent.

The term bonds due December 1, 2027 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2026 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
2026	\$640,000

Unless otherwise called for redemption, the remaining \$665,000 principal amount of the bonds due December 1, 2027 is to be paid at stated maturity.

The term bonds due December 1, 2029 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2028 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
2028	\$690,000

Unless otherwise called for redemption, the remaining \$720,000 principal amount of the bonds due December 1, 2029 is to be paid at stated maturity.

The term bonds due December 1, 2031 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2030 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
2030	\$745,000

Unless otherwise called for redemption, the remaining \$775,000 principal amount of the bonds due December 1, 2031 is to be paid at stated maturity.

The term bonds due December 1, 2033 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2032 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
2032	\$805,000

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**10. LONG-TERM OBLIGATIONS (Continued)**

Unless otherwise called for redemption, the remaining \$840,000 principal amount of the Bonds due December 1, 2033 is to be paid at stated maturity.

Principal and interest payments to retire the long-term obligations are as follows:

<b>Fiscal Year Ended</b>	<b>Current Interest Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 455,000	\$ 878,403	\$ 1,333,403
2013	460,000	873,252	1,333,252
2014	465,000	866,309	1,331,309
2015	470,000	856,952	1,326,952
2016	475,000	845,134	1,320,134
2017 – 2021	2,530,000	3,969,247	6,499,247
2022 – 2026	2,910,000	3,361,326	6,271,326
2027 – 2031	3,460,000	2,479,967	5,939,967
2032 – 2036	4,205,000	1,305,409	5,510,409
2037 – 2038	1,940,000	124,950	2,064,950
Total	<u>\$17,370,000</u>	<u>\$15,560,949</u>	<u>\$32,930,949</u>

The Career Center had \$15,003,745 in unspent bond proceeds at June 30, 2011.

**Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center. The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2011, are a voted debt margin of \$79,233,777 and an un-voted debt margin of \$1,065,623.

**11. EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. A limited amount of staff who earn vacation benefits are able to buy-out 5 days of their vacation balance each year of their contract. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 200 days for all personnel. Upon retirement, payment is made for 25% of 140 of the accrued sick leave days up to 35 days. Prior to July 1, 2007, incentive days could be earned based on the number of unused sick days in a school year. Employees who accumulated incentive days prior to July 1, 2007, will retain those days but not be able to earn more days after July 1, 2007.

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**12. RISK MANAGEMENT**

The Career Center is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Career Center maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, public official bonds, and professional liability. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal 2010.

**Group Purchasing Pools**

**CompManagement Group Rating Program (GRP)**

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

**Schools of Ohio Risk Sharing Authority**

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

**Van Wert Area School Insurance Group (VWASIG)**

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**13. PENSION PLANS**

**A. School Employees Retirement System**

**Plan Description** – The Career Center contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, 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 the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Media/Financial Reports".

**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 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations and death benefits. The remaining 2.19 percent of the 14 percent employer contribution rate was allocated to Medicare B and Health Care Funds. 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, 2011, 2010 and 2009 were \$124,289, \$130,394 and \$94,202, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

**B. State Teachers Retirement System of Ohio**

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

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.

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**13. PENSION PLANS (Continued)**

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

Funding Policy – For fiscal year 2011, 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, 2011, 2010 and 2009 were \$501,760, \$511,657 and \$463,640, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$16,389 made by the Career Center and \$11,706 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2011, certain members of the Board of Education have elected Social Security. The Career Center's liability is 6.2 percent of wages paid.

**14. POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

**Plan Description** – The Career Center participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. 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. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Media/Financial Reports".



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**14. POSTEMPLOYMENT BENEFITS (Continued)**

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2011, the actuarially determined amount was \$35,800. For fiscal year 2011, the Career Center paid \$19,125 in surcharge.

Active members do not contribute to the Health Care Plan. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The Career Center's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were \$15,049, \$24,743 and \$43,111, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, 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, 2011, 2010, and 2009 were \$7,998, \$7,754 and \$7,772, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

**B. State Teachers Retirement System of Ohio**

**Plan Description** – The Career Center contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org), under "Publications" 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 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Career Center's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were \$39,858, \$39,358 and \$35,665, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**15. BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance – budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

<b>Net Change in Fund Balance</b>	
	<b>General Fund</b>
Budget basis	\$142,995
Net adjustment for revenue accruals	23,194
Net adjustment for expenditure accruals	73,042
Net adjustment for other sources/uses	(12,597)
Funds budgeted elsewhere *	128,664
Adjustment for encumbrances	113,648
GAAP basis	\$468,946

\* Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the endowment fund, special rotary fund and the public school support fund.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**16. CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**17. 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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. These amounts must be carried forward to be used for the same purposes in future years.

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.

	<b>Textbooks</b>	<b>Capital Improvements</b>
Set-aside balance June 30, 2010		
Current year set-aside requirement	\$ 85,672	\$ 85,672
Current year qualifying expenditures	(244,875)	(21,202)
Excess qualified expenditures from prior years	(1,520,097)	
Current year offsets		(559,604)
Total	(\$1,679,300)	(\$495,134)
Balance carried forward to fiscal year 2012	\$ 0	
Set-aside balance June 30, 2011	\$ 0	\$ 0

The Career Center had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amount to below zero. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from existing law. This negative balance is therefore not being presented as being carried forward to the future fiscal year. Although the Career Center had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future fiscal years. The negative balance is therefore not presented as being carried forward to future fiscal years.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**18. OTHER COMMITMENTS**

The Career Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Career Center's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 151,635
Building	2,983,229
Classroom facilities	18,275,505
Other governmental	<u>286,757</u>
Total	<u>\$21,697,126</u>

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
(Passed through Ohio Department of Education)						
<b>Child Nutrition Cluster:</b>						
School Breakfast Program		10.553	\$13,385		\$13,385	
Non cash Assistance (Food Distribution) National School Lunch Program		10.555		\$10,534		\$10,534
National School Lunch Program		10.555	73,199		73,199	
Total Nutrition Cluster			86,584	10,534	86,584	10,534
Total U.S. Department of Agriculture			86,584	10,534	86,584	10,534
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Direct						
<b>Student Financial Aid Cluster:</b>						
Federal Pell Grant Program	2012	84.063	700		700	
Federal Pell Grant Program	2011	84.063	244,903		244,903	
Federal Pell Grant Program	2010	84.063	1,540		1,540	
Total Federal Pell Grant Program			247,143		247,143	
Federal Supplemental Educational Opportunity Grants	2011	84.007	5,000		5,000	
Total Student Financial Aid Cluster			252,143		252,143	
(Passed through Ohio Department of Education)						
Adult Education - Basic Grants to States	2011	84.002	64,707		86,375	
Adult Education - Basic Grants to States	2010	84.002	21,843		10,143	
Total Adult Education - Basic Grants to States			86,550		96,518	
Career and Technical Education - Basic Grants to States <b>(A)</b>	2011	84.048	31,256		31,256	
Career and Technical Education - Basic Grants to States	2011	84.048	151,355		151,355	
Career and Technical Education - Basic Grants to States	2010	84.048	18,296			
Total Career and Technical Education - Basic Grants to States			200,907		182,611	
Improving Teacher Quality State Grants	2011	84.367	4,952		4,952	
(Passed through Rhodes State College)						
Tech-Prep Education	2011	84.243	6,500		6,500	
Total U.S. Department of Education			551,052		542,724	
Total Federal Assistance			<u>\$637,636</u>	<u>\$10,534</u>	<u>\$629,308</u>	<u>\$10,534</u>

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

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Vantage Career Center (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**

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

**NOTE D - MATCHING REQUIREMENTS**

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



# 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

Vantage Career Center  
Van Wert County  
818 N. Franklin St.  
Van Wert, Ohio 45891

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vantage Career Center, Van Wert County, (the Career Center) as of and for the year ended June 30, 2011, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated January 31, 2012. As described in Note 3A, the Career Center adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance and Governmental Fund Type Definitions* for year ended June 30, 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 the purpose of expressing our opinion 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 did note certain matters not requiring inclusion in this report that we reported to the Career Center's management in a separate letter dated January 31, 2012.

We intend this report solely for the information and use of audit committee, management, 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.



**Dave Yost**  
Auditor of State

January 31, 2012





# Dave Yost • Auditor of State

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

Vantage Career Center  
Van Wert County  
818 N. Franklin St.  
Van Wert, Ohio 45891

To the Board of Education:

### Compliance

We have audited the compliance of Vantage Career Center (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 Vantage Career Center's major federal program for the year ended June 30, 2011. 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 the 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 Vantage 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, 2011.

### 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 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.

**Internal Control Over Compliance  
(Continued)**

*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, board of education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

January 31, 2012

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**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 weaknesses 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 weaknesses 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?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Student Financial Aid Cluster – CFDA #84.063 and 84.007
<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 AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedure

Vantage Career Center  
Van Wert County  
818 N. Franklin St.  
Van Wert, Ohio 45891

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on May 5, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

A handwritten signature in cursive script that reads "Dave Yost".

**Dave Yost**  
Auditor of State

January 31, 2012

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# Dave Yost • Auditor of State

**VANTAGE CAREER CENTER**

**VAN WERT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 13, 2012**