



Mary Taylor, CPA
Auditor of State

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio, as of June 30, 2009, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparisons for the General and Appalachian Regional Commission Grant Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2010, 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.

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

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

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

Mary Taylor, CPA
Auditor of State

January 7, 2010

Washington County Career Center, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

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

Financial Highlights

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

- In total, net assets increased \$390,107. Net assets of governmental activities increased \$398,490, while net assets of the business-type activity decreased \$8,383 from 2008.
- General revenues accounted for \$5,372,457 in revenue or 79% of all revenues for governmental activities. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$1,394,748 or 21% of total revenues of \$6,767,205.
- Total program expenses were \$8,416,380; \$6,368,715 in governmental activities and \$2,047,665 in the business-type activity.

Using this Annual Financial Report

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

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

Reporting the Career Center as a Whole

Statement of Net Assets and Statement of Activities

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

Washington County Career Center, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

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

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

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

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

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

The analysis of the Career Center's major funds begins on page 9. Fund financial reports provide detailed information about the Career Center's major fund. The Career Center uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the General Fund and the Appalachian Regional Commission Grant Fund.

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

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

The Career Center as a Whole

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

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

(Table 1)

Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$5,603,602	\$5,914,813	\$1,206,705	\$1,622,676	\$6,810,307	\$7,537,489
Capital Assets, Net	7,340,620	6,709,525	812,600	219,524	8,153,220	6,929,049
<i>Total Assets</i>	<u>12,944,222</u>	<u>12,624,338</u>	<u>2,019,305</u>	<u>1,842,200</u>	<u>14,963,527</u>	<u>14,466,538</u>
Liabilities						
Current and Other Liabilities	2,597,640	2,550,401	266,751	97,463	2,864,391	2,647,864
Long-term Liabilities						
Due Within One Year	105,709	98,065	25,819	3,966	131,528	102,031
Due in More Than One Year	3,034,844	3,168,333	78,520	84,173	3,113,364	3,252,506
<i>Total Liabilities</i>	<u>5,738,193</u>	<u>5,816,799</u>	<u>371,090</u>	<u>185,602</u>	<u>6,109,283</u>	<u>6,002,401</u>
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	5,232,353	4,949,089	809,254	219,524	6,041,607	5,168,613
Restricted	145,174	214,264	0	0	145,174	214,264
Unrestricted	1,828,502	1,644,186	838,961	1,437,074	2,667,463	3,081,260
<i>Total Net Assets</i>	<u>\$7,206,029</u>	<u>\$6,807,539</u>	<u>\$1,648,215</u>	<u>\$1,656,598</u>	<u>\$8,854,244</u>	<u>\$8,464,137</u>

Total assets increased \$496,989, with governmental assets increasing \$319,884 and business-type assets increasing \$177,105. For governmental activities, cash and investments decreased \$357,812. Intergovernmental receivables increased \$43,903, mainly due to a \$104,000 receivable from the Appalachian Regional Commission, which is offset by decreases in other grants. Capital assets increased \$631,095, mainly due to heating and cooling system upgrade and roofing projects. Cash in the business-type activity decreased \$370,254, as well as accounts receivables for tuition which decreased \$78,808. Capital assets increased \$593,076, mainly due to the roofing project.

Total liabilities increased \$106,882, with governmental liabilities decreasing \$78,606 and business-type liabilities increasing \$185,488. For the governmental funds, contracts and retainage payable increased \$89,820, due to the roofing system upgrades. Long-term liabilities decreased \$125,845, reflecting payments on debt. For the business-type activity, contracts payable increased \$181,035 due to the roofing project.

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2009, compared to changes in net assets for the fiscal year ended June 30, 2008.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

(Table 2)

Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activity			
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	\$134,197	\$210,891	\$1,623,931	\$1,637,163	\$1,758,128	\$1,848,054
Operating Grants, Contributions and Interest	1,257,551	852,536	414,677	397,359	1,672,228	1,249,895
Capital Grants	3,000	3,000	0	0	3,000	3,000
Total Program Revenues	1,394,748	1,066,427	2,038,608	2,034,522	3,433,356	3,100,949
General Revenues						
Property Taxes	2,037,184	1,985,164	0	0	2,037,184	1,985,164
Grants and Entitlements	3,093,247	3,163,973	0	0	3,093,247	3,163,973
Payments in Lieu of Taxes	43,669	9,934	0	0	43,669	9,934
Interest	143,481	179,796	0	0	143,481	179,796
Miscellaneous	54,876	26,769	674	2,322	55,550	29,091
Total General Revenues	5,372,457	5,365,636	674	2,322	5,373,131	5,367,958
Total Revenues	6,767,205	6,432,063	2,039,282	2,036,844	8,806,487	8,468,907
Program Expenses						
Instruction:						
Regular	750,480	745,107	0	0	750,480	745,107
Vocational	2,283,511	2,171,522	0	0	2,283,511	2,171,522
Adult/Continuing	160,013	69,002	0	0	160,013	69,002
Support Services:						
Pupils	384,441	354,914	0	0	384,441	354,914
Instructional Staff	363,323	393,623	0	0	363,323	393,623
Board of Education	19,054	16,778	0	0	19,054	16,778
Administration	481,022	497,425	0	0	481,022	497,425
Fiscal	320,296	281,239	0	0	320,296	281,239
Business	42,318	37,746	0	0	42,318	37,746
Operation and Maintenance						
of Plant	709,082	671,251	0	0	709,082	671,251
Transportation	7,242	9,602	0	0	7,242	9,602
Central	354,498	255,100	0	0	354,498	255,100
Operation of Non-Instructional Services:						
Other	238,420	129,353	0	0	238,420	129,353
Food Service Operations	175,297	123,258	0	0	175,297	123,258
Extracurricular Activities	7,088	5,323	0	0	7,088	5,323
Interest and Fiscal Charges	72,630	78,942	0	0	72,630	78,942
Adult Education	0	0	2,047,665	2,331,709	2,047,665	2,331,709
Total Expenses	6,368,715	5,840,185	2,047,665	2,331,709	8,416,380	8,171,894
Increase (Decrease) in Net Assets	398,490	591,878	(8,383)	(294,865)	390,107	297,013
Net Assets Beginning of Year	6,807,539	6,215,661	1,656,598	1,951,463	8,464,137	8,167,124
Net Assets End of Year	\$7,206,029	\$6,807,539	\$1,648,215	\$1,656,598	\$8,854,244	\$8,464,137

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

Governmental Activities

Net assets of the Career Center's governmental activities increased \$398,490 in fiscal year 2009. Total governmental expenses of \$6,368,715 did not exceed the program revenues of \$1,394,748 and general revenues of \$5,372,457.

The primary sources of revenue for the Career Center are derived from property taxes and State foundation payments. These two revenue sources represent 76 percent of the total revenue. The remaining 24 percent of revenue is from program revenues, interest, and miscellaneous local sources.

In recent years, the State, in terms of foundation increases, has implemented weighted funding for special education students and career-tech students, and ADM funding. The career-technical weighted funding decreased 5.3% (\$46,955) from fiscal year 2008 to fiscal year 2009, primarily due to the categorical assignment of the students as there was a 13.9% increase or \$39,416 in the special education weighted funding amount. Due to an increase of \$167 in the per pupil amount, the district's basic state foundation funding increased \$59,687.

Under program expenses for fiscal year 2009, the Career Center eliminated one classified position in the high school program, which decreased overall expenses in the support category. One career/technical position was eliminated, but a support teacher position was created which countered the savings. Amounts received in the prior fiscal year for the QZAB project (roof replacement) were partially expended, coupled with increased debt repayments and increased spending in most categories, resulted in a nine percent increase overall.

Program revenues covered 21.9 percent of program expenses overall. The remaining 78.1 percent is supported through tax revenues and other general revenues. In fiscal year 2009, however, expenses totaled 94 percent of revenues, resulting in an increase in net assets of \$398,490.

Business-Type Activity

The business-type activity involves the Career Center's adult education program. This program had revenues of \$2,039,282 and expenses of \$2,047,665 for fiscal year 2009. This represents a near constant in revenue activity from the prior year. However, expenditures reflect a decrease of \$284,041 for the same period. This decrease can be attributed to a reduction in two full time staff and return to normal levels after increased spending for furniture/equipment during fiscal year 2008.

Table 3 shows the total cost of services and the net cost of services for fiscal year compared to fiscal year 2008. That is, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

(Table 3)
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
Program Expenses				
Instruction:				
Regular	\$750,480	\$745,107	\$749,416	\$737,753
Vocational	2,283,511	2,171,522	1,852,424	1,701,401
Adult/Continuing	160,013	69,002	(94,787)	51,265
Support Services:				
Pupils	384,441	354,914	162,367	142,893
Instructional Staff	363,323	393,623	354,934	374,286
Board of Education	19,054	16,778	19,054	16,778
Administration	481,022	497,425	475,618	495,986
Fiscal	320,296	281,239	320,296	281,239
Business	42,318	37,746	42,318	37,746
Operation and Maintenance of Plant	709,082	671,251	709,082	671,251
Transportation	7,242	9,602	7,242	9,602
Central	354,498	255,100	296,891	209,297
Operation of Non-Instructional Services:				
Other	238,420	129,353	0	(37,642)
Food Service Operations	175,297	123,258	(606)	(2,362)
Extracurricular Activities	7,088	5,323	7,088	5,323
Interest and Fiscal Charges	72,630	78,942	72,630	78,942
Total	<u>\$6,368,715</u>	<u>\$5,840,185</u>	<u>\$4,973,967</u>	<u>\$4,773,758</u>

As you can see, the reliance upon local tax revenues for governmental activities is crucial. Thirty-two percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs supported 49 percent of expenses, while program revenues, investments, and other miscellaneous types of revenues supported the remaining activity costs. The dependence upon tax revenues and State subsidies for governmental activities is apparent. For fiscal year 2009, approximately 62 percent of instruction activities were supported through taxes and State subsidies. As you can see from Table 3, the adult/continuing instruction and the food service programs are the only self-supporting programs, meaning that no general revenues are necessary to supplement these activities.

The Career Center Funds

The Career Center's governmental funds reported a combined fund balance of \$2,844,587, a decrease of \$511,870 from fiscal year 2008. All governmental funds had total revenues of \$6,610,754 and expenditures of \$7,128,972.

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

The Career Center's major funds are accounted for using the modified accrual basis of accounting. The General Fund's \$83,581 increase in fund balance can be mainly attributed to an increase in the amount of intergovernmental revenues. The Career Center's other major fund, the Appalachian Regional Commission Grant Fund, reflects a deficit fund balance of \$104,000. Its fund balance decreased due to expenditures being made prior to the receipt of grant funding.

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 year 2009, the Career Center amended its General Fund budget, but not significantly. The Career Center uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, budget basis revenue was \$5,725,052, below final estimates of \$5,729,459. Original estimated revenues were increased \$217,676 due to \$39,000 fluctuation in amount of general homestead reimbursement, \$24,000 in Tech Prep funding, an additional \$23,700 received from Duke Energy payment in lieu of taxes, and the additional \$139,000 in basic state foundation. Expenditures of \$5,829,221 were lower than final appropriations of \$5,926,528 due to various factors, but primarily due to \$64,000 in instructional cost, utility cost, and decreased equipment cost variances. Final appropriations were increased \$293,387 from original appropriations due to increased available resources. There was a \$221,423 increase in spending in the vocational education category, coupled with smaller increases in other areas.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the Career Center had \$8,153,220 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2009 balances compared to 2008.

(Table 4)

Capital Assets at June 30 (Net of Depreciation)

	Governmental Activities		Business-Type Activity		Total	
	2009	2008	2009	2008	2009	2008
Land	\$48,000	\$48,000	\$0	\$0	\$48,000	\$48,000
Construction in Progress	548,006	0	498,940	0	1,046,946	0
Buildings and Improvements	5,297,065	5,416,213	0	0	5,297,065	5,416,213
Furniture and Equipment	1,414,462	1,216,151	304,637	210,501	1,719,099	1,426,652
Vehicles	33,087	29,161	9,023	9,023	42,110	38,184
Totals	<u>\$7,340,620</u>	<u>\$6,709,525</u>	<u>\$812,600</u>	<u>\$219,524</u>	<u>\$8,153,220</u>	<u>\$6,929,049</u>

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

During fiscal year 2009, the Career Center completed renovation of the welding lab area, invested in a new email server, added learning equipment in several of the career/technical programs, and began the roof replacement project from governmental funds. Under the business-type activity, the Career Center purchased and equipped two mobile training trailers, financed in part by the Appalachian Regional Commission grant, to offer training to adult students in various locations. See Note 10 to the basic financial statements for more information on capital assets.

Debt

At June 30, 2009, the Career Center had the following obligations outstanding:

	Principal Outstanding 6/30/08	Additions	Reductions	Principal Outstanding 6/30/09	Amounts Due in One Year
Governmental Activities:					
Energy Conservation Notes - 2.0%-5.9%					
July 23, 2002, \$615,000	\$405,000	\$0	\$35,000	\$370,000	\$40,000
Qualified Zone Academy Bonds - 0%					
July 1, 2007, \$1,225,000	1,225,000	0	0	1,225,000	0
Capital Leases	1,168,971	0	63,065	1,105,906	65,709
Total Governmental Activities	\$2,798,971	\$0	\$98,065	\$2,700,906	\$105,709
Business-Type Activity:					
Capital Leases	\$7,679	\$0	\$4,333	\$3,346	\$3,346

See Note 15 to the basic financial statements for more information on debt.

Challenges and Opportunities

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

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

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

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

Washington County Career Center, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2009

Unaudited

The Career Center has achieved a large measure of financial stability in the past and in fiscal year 2009. Administrators and staff are cognizant of the entities' vulnerability due to the economy's instability. The Board of Education and administrators continue to closely monitor both revenues and expenses in order to strike a balance of the two. The Treasurer continues to monitor revenues and expenses to ascertain that actual revenues meet or exceed estimated revenues and actual expenses do not exceed estimates.

Contacting the Career Center's Financial Management

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

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Washington County Career Center, Ohio

Statement of Net Assets

June 30, 2009

	Governmental Activities	Business-Type Activity	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,131,949	\$1,046,707	\$4,178,656
Cash and Cash Equivalents with Fiscal Agents	159	0	159
Investments with Fiscal Agents	139,723	0	139,723
Materials and Supplies Inventory	33,340	14,690	48,030
Intergovernmental Receivable	149,728	115,766	265,494
Prepaid Items	1,599	0	1,599
Accounts Receivable	40,724	29,542	70,266
Property Taxes Receivable	2,066,188	0	2,066,188
Deferred Charges	40,192	0	40,192
Nondepreciable Capital Assets	596,006	498,940	1,094,946
Depreciable Capital Assets, Net	6,744,614	313,660	7,058,274
<i>Total Assets</i>	12,944,222	2,019,305	14,963,527
Liabilities			
Accounts Payable	57,924	15,351	73,275
Accrued Wages and Benefits Payable	381,328	44,387	425,715
Contracts Payable	4,451	181,035	185,486
Accrued Interest Payable	3,770	0	3,770
Retainage Payable	85,369	0	85,369
Vacation Benefits Payable	35,509	9,944	45,453
Matured Interest Payable	159	0	159
Intergovernmental Payable	77,548	16,034	93,582
Deferred Revenue	1,951,582	0	1,951,582
Long-Term Liabilities:			
Due Within One Year	105,709	25,819	131,528
Due In More Than One Year	3,034,844	78,520	3,113,364
<i>Total Liabilities</i>	5,738,193	371,090	6,109,283
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,232,353	809,254	6,041,607
Restricted for:			
Unclaimed Monies	177	0	177
Debt Service	68,249	0	68,249
Capital Improvement Set-aside	29,855	0	29,855
Budget Stabilization	28,932	0	28,932
Other Purposes	17,961	0	17,961
Unrestricted	1,828,502	838,961	2,667,463
<i>Total Net Assets</i>	\$7,206,029	\$1,648,215	\$8,854,244

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues			Net (Expense)Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants	Governmental Activities	Business-Type Activity	Total
Governmental Activities							
Instruction:							
Regular	\$750,480	\$0	\$1,064	\$0	(\$749,416)	\$0	(\$749,416)
Vocational	2,283,511	64,009	367,078	0	(1,852,424)	0	(1,852,424)
Adult/Continuing	160,013	4,800	250,000	0	94,787	0	94,787
Support Services:							
Pupils	384,441	0	222,074	0	(162,367)	0	(162,367)
Instructional Staff	363,323	0	8,389	0	(354,934)	0	(354,934)
Board of Education	19,054	0	0	0	(19,054)	0	(19,054)
Administration	481,022	5,062	342	0	(475,618)	0	(475,618)
Fiscal	320,296	0	0	0	(320,296)	0	(320,296)
Business	42,318	0	0	0	(42,318)	0	(42,318)
Operation and							
Maintenance of Plant	709,082	0	0	0	(709,082)	0	(709,082)
Transportation	7,242	0	0	0	(7,242)	0	(7,242)
Central	354,498	0	54,607	3,000	(296,891)	0	(296,891)
Operation of Non-Instructional Services:							
Other	238,420	0	238,420	0	0	0	0
Food Service Operations	175,297	60,326	115,577	0	606	0	606
Extracurricular Activities	7,088	0	0	0	(7,088)	0	(7,088)
Interest and Fiscal Charges	72,630	0	0	0	(72,630)	0	(72,630)
<i>Total Governmental Activities</i>	<u>6,368,715</u>	<u>134,197</u>	<u>1,257,551</u>	<u>3,000</u>	<u>(4,973,967)</u>	<u>0</u>	<u>(4,973,967)</u>
Business-Type Activity							
Adult Education	<u>2,047,665</u>	<u>1,623,931</u>	<u>414,677</u>	<u>0</u>	<u>0</u>	<u>(9,057)</u>	<u>(9,057)</u>
<i>Totals</i>	<u>\$8,416,380</u>	<u>\$1,758,128</u>	<u>\$1,672,228</u>	<u>\$3,000</u>	<u>(4,973,967)</u>	<u>(9,057)</u>	<u>(4,983,024)</u>
General Revenues							
Property Taxes Levied for General Purposes					2,037,184	0	2,037,184
Grants and Entitlements not Restricted to Specific Programs					3,093,247	0	3,093,247
Payments in Lieu of Taxes					43,669	0	43,669
Interest					143,481	0	143,481
Miscellaneous					54,876	674	55,550
<i>Total General Revenues</i>					<u>5,372,457</u>	<u>674</u>	<u>5,373,131</u>
<i>Change in Net Assets</i>					398,490	(8,383)	390,107
<i>Net Assets Beginning of Year</i>					<u>6,807,539</u>	<u>1,656,598</u>	<u>8,464,137</u>
<i>Net Assets End of Year</i>					<u>\$7,206,029</u>	<u>\$1,648,215</u>	<u>\$8,854,244</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Balance Sheet

Governmental Funds

June 30, 2009

	General	Appalachian Regional Commission Grant	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,305,964	\$146,000	\$621,021	\$3,072,985
Cash and Cash Equivalents with Fiscal Agents	0	0	159	159
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	58,964	0	0	58,964
Investments with Fiscal Agents	139,723	0	0	139,723
Receivables:				
Property Taxes	2,066,188	0	0	2,066,188
Accounts	40,724	0	0	40,724
Intergovernmental	10,877	104,000	34,851	149,728
Interfund	261,409	0	0	261,409
Prepaid Items	1,599	0	0	1,599
Materials and Supplies Inventory	31,472	0	1,868	33,340
<i>Total Assets</i>	<u>\$4,916,920</u>	<u>\$250,000</u>	<u>\$657,899</u>	<u>\$5,824,819</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$57,774	\$0	\$150	\$57,924
Accrued Wages and Benefits Payable	352,254	0	29,074	381,328
Contracts Payable	4,451	0	0	4,451
Interfund Payable	0	250,000	11,409	261,409
Retainage Payable	85,369	0	0	85,369
Matured Interest Payable	0	0	159	159
Intergovernmental Payable	69,208	0	8,340	77,548
Deferred Revenue	2,007,718	104,000	326	2,112,044
<i>Total Liabilities</i>	<u>2,576,774</u>	<u>354,000</u>	<u>49,458</u>	<u>2,980,232</u>
Fund Balances				
Reserved for Encumbrances	160,545	0	458,000	618,545
Reserved for Property Taxes	58,738	0	0	58,738
Reserved for Unclaimed Monies	177	0	0	177
Reserved for Capital Improvements	29,855	0	0	29,855
Reserved for Budget Stabilization	28,932	0	0	28,932
Designated for Budget Stabilization	69,251	0	0	69,251
Designated for Textbooks	816	0	0	816
Unreserved, Undesignated, Reported in:				
General Fund	1,991,832	0	0	1,991,832
Special Revenue Funds (Deficit)	0	(104,000)	63,922	(40,078)
Capital Projects Funds	0	0	86,519	86,519
<i>Total Fund Balances (Deficit)</i>	<u>2,340,146</u>	<u>(104,000)</u>	<u>608,441</u>	<u>2,844,587</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,916,920</u>	<u>\$250,000</u>	<u>\$657,899</u>	<u>\$5,824,819</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2009*

Total Governmental Fund Balances		\$2,844,587
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,340,620
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	55,868	
Grants	104,326	
Miscellaneous	268	160,462
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.		40,192
Interest Payable is accrued for outstanding long-term liabilities while interest is not reported until due on the Balance Sheet.		(3,770)
Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the Balance Sheet until due.		(35,509)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Energy Conservation Notes Payable	(370,000)	
Qualified Zone Academy Bonds	(1,225,000)	
Capital Leases Payable	(1,105,906)	
Sick Leave Benefits Payable	(439,647)	(3,140,553)
Net Assets of Governmental Activities		\$7,206,029

See accompanying notes to the basic financial statements

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

	General	Appalachian Regional Commission Grant	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$1,984,728	\$0	\$0	\$1,984,728
Intergovernmental	3,519,274	146,000	584,098	4,249,372
Interest	137,698	0	5,883	143,581
Tuition and Fees	5,062	0	23,561	28,623
Customer Services	45,248	0	60,326	105,574
Payments in Lieu of Taxes	43,669	0	0	43,669
Miscellaneous	50,434	0	4,773	55,207
<i>Total Revenues</i>	<u>5,786,113</u>	<u>146,000</u>	<u>678,641</u>	<u>6,610,754</u>
Expenditures				
Current:				
Instruction:				
Regular	742,216	0	1,295	743,511
Vocational	2,200,339	0	20,514	2,220,853
Adult/Continuing	0	250,000	4,800	254,800
Support Services:				
Pupils	142,523	0	233,103	375,626
Instructional Staff	381,400	0	9,567	390,967
Board of Education	19,054	0	0	19,054
Administration	462,740	0	356	463,096
Fiscal	308,081	0	0	308,081
Business	41,027	0	0	41,027
Operation and Maintenance of Plant	696,963	0	0	696,963
Transportation	7,150	0	0	7,150
Central	331,100	0	59,238	390,338
Operation of Non-Instructional Services	0	0	407,578	407,578
Extracurricular Activities	6,602	0	0	6,602
Capital Outlay	192,678	0	442,805	635,483
Debt Service:				
Principal Retirement	98,065	0	0	98,065
Interest and Fiscal Charges	69,778	0	0	69,778
<i>Total Expenditures</i>	<u>5,699,716</u>	<u>250,000</u>	<u>1,179,256</u>	<u>7,128,972</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>86,397</u>	<u>(104,000)</u>	<u>(500,615)</u>	<u>(518,218)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	6,348	0	0	6,348
Transfers In	0	0	9,164	9,164
Transfers Out	(9,164)	0	0	(9,164)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,816)</u>	<u>0</u>	<u>9,164</u>	<u>6,348</u>
<i>Net Change in Fund Balances</i>	83,581	(104,000)	(491,451)	(511,870)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>2,256,565</u>	<u>0</u>	<u>1,099,892</u>	<u>3,356,457</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,340,146</u>	<u>(\$104,000)</u>	<u>\$608,441</u>	<u>\$2,844,587</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2009*

Net Change in Fund Balances - Total Governmental Funds		(\$511,870)
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation:		
Capital Asset Additions	1,034,411	
Depreciation Expense	<u>(380,055)</u>	654,356
 Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(23,261)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Grants	104,326	
Other	(331)	
Property Taxes	<u>52,456</u>	156,451
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		98,065
 In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.		
		239
 Issuance costs are reported as an expenditure when paid in governmental funds, but are allocated as an expense over the life of the outstanding debt on the statement of activities.		
		(3,091)
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Vacation Benefits Payable	(179)	
Sick Leave Benefits Payable	<u>27,780</u>	<u>27,601</u>
 <i>Change in Net Assets of Governmental Activities</i>		 <u><u>\$398,490</u></u>
 See accompanying notes to the basic financial statements		

Washington County Career Center, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$1,998,603	\$1,965,423	\$1,965,007	(\$416)
Intergovernmental	3,301,380	3,515,776	3,511,245	(4,531)
Interest	125,000	137,000	137,364	364
Tuition and Fees	1,200	5,000	5,062	62
Customer Services	59,250	52,660	52,632	(28)
Payments in Lieu of Taxes	10,000	43,700	43,669	(31)
Miscellaneous	16,350	9,900	10,073	173
<i>Total Revenues</i>	<u>5,511,783</u>	<u>5,729,459</u>	<u>5,725,052</u>	<u>(4,407)</u>
Expenditures				
Current:				
Instruction:				
Regular	749,171	753,851	748,091	5,760
Vocational	2,046,153	2,267,576	2,209,180	58,396
Support Services:				
Pupils	131,106	145,042	144,574	468
Instructional Staff	376,035	393,894	393,125	769
Board of Education	20,884	20,989	19,690	1,299
Administration	493,652	491,744	482,973	8,771
Fiscal	236,935	298,041	297,744	297
Business	36,255	37,009	35,723	1,286
Operation and Maintenance of Plant	805,546	771,277	771,243	34
Transporation	9,000	8,030	8,030	0
Central	322,831	345,465	338,365	7,100
Extracurricular Activities	6,250	6,550	6,602	(52)
Capital Outlay	163,230	150,968	137,789	13,179
Debt Service:				
Principal	166,314	166,314	166,314	0
Interest	69,779	69,778	69,778	0
<i>Total Expenditures</i>	<u>5,633,141</u>	<u>5,926,528</u>	<u>5,829,221</u>	<u>97,307</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(121,358)</u>	<u>(197,069)</u>	<u>(104,169)</u>	<u>92,900</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	2,000	6,300	6,348	48
Advances In	0	9,013	26,786	17,773
Refund of Prior Year Expenditures	0	1,750	1,738	(12)
Refund of Prior Year Receipts	0	(11,300)	(11,286)	14
Advances Out	0	(261,409)	(279,182)	(17,773)
Transfers Out	0	(9,164)	(9,164)	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,000</u>	<u>(264,810)</u>	<u>(264,760)</u>	<u>50</u>
<i>Net Change in Fund Balance</i>	<u>(119,358)</u>	<u>(461,879)</u>	<u>(368,929)</u>	<u>92,950</u>
<i>Fund Balance Beginning of Year</i>	<u>2,275,658</u>	<u>2,275,658</u>	<u>2,275,658</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>222,264</u>	<u>222,264</u>	<u>222,264</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,378,564</u></u>	<u><u>\$2,036,043</u></u>	<u><u>\$2,128,993</u></u>	<u><u>\$92,950</u></u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Appalachian Regional Commission Grant Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$250,000	\$146,000	\$146,000	\$0
<i>Total Revenues</i>	<u>250,000</u>	<u>146,000</u>	<u>146,000</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Adult/Continuing	250,000	396,000	250,000	146,000
<i>Total Expenditures</i>	<u>250,000</u>	<u>396,000</u>	<u>250,000</u>	<u>146,000</u>
<i>Excess of Revenues Under Expenditures</i>	<u>0</u>	<u>(250,000)</u>	<u>(104,000)</u>	<u>146,000</u>
Other Financing Source				
Advances In	0	250,000	250,000	0
<i>Total Other Financing Source</i>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	146,000	146,000
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$146,000</u>	<u>\$146,000</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Fund Net Assets

Enterprise Fund

June 30, 2009

	<u>Business-Type Activity</u>
	<u>Adult Education Fund</u>
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$1,046,707
Materials and Supplies Inventory	14,690
Intergovernmental Receivable	115,766
Accounts Receivable	<u>29,542</u>
<i>Total Current Assets</i>	1,206,705
Noncurrent Assets:	
Nondepreciable Capital Assets	498,940
Depreciable Capital Assets, net	<u>313,660</u>
<i>Total Assets</i>	<u>2,019,305</u>
Liabilities	
Current Liabilities:	
Accounts Payable	15,351
Accrued Wages and Benefits Payable	44,387
Contracts Payable	181,035
Vacation Benefits Payable	9,944
Intergovernmental Payable	16,034
Sick Leave Benefits Payable	22,473
Capital Leases Payable	<u>3,346</u>
<i>Total Current Liabilities</i>	292,570
Long-term Liabilities:	
Sick Leave Benefits Payable	<u>78,520</u>
<i>Total Liabilities</i>	<u>371,090</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	809,254
Unrestricted	<u>838,961</u>
Total Net Assets	<u><u>\$1,648,215</u></u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Revenues,

Expenses and Changes in Fund Net Assets

Enterprise Fund

For the Fiscal Year Ended June 30, 2009

	<u>Business-Type Activity</u>
	<u>Adult Education Fund</u>
Operating Revenues	
Tuition	\$1,623,931
Other	674
<i>Total Operating Revenues</i>	<u>1,624,605</u>
Operating Expenses	
Salaries	1,049,873
Fringe Benefits	335,943
Purchased Services	251,254
Materials and Supplies	366,819
Depreciation	42,068
<i>Total Operating Expenses</i>	<u>2,045,957</u>
<i>Operating Loss</i>	<u>(421,352)</u>
Non-Operating Revenues (Expenses)	
Interest and Fiscal Charges	(191)
Loss on Sale of Capital Assets	(1,517)
Federal and State Subsidies	414,677
<i>Total Non-Operating Revenues (Expenses)</i>	<u>412,969</u>
<i>Net Change in Net Assets</i>	(8,383)
<i>Net Assets at Beginning of Year</i>	<u>1,656,598</u>
<i>Net Assets at End of Year</i>	<u><u>\$1,648,215</u></u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Cash Flows

Enterprise Fund

For the Fiscal Year Ended June 30, 2009

	<u>Business-Type Activity</u>
	<u>Adult Education Fund</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$1,701,437
Cash Received from Other Operating Revenues	674
Cash Payments to Suppliers for Goods and Services	(596,851)
Cash Payments for Employee Services	(1,035,640)
Cash Payments for Employee Benefits	(336,056)
	<u>(266,436)</u>
Net Cash Used for Operating Activities	<u>(266,436)</u>
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	<u>363,313</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Capital Lease	(4,333)
Interest Paid on Capital Lease	(191)
Payments for Capital Acquisitions	(462,607)
	<u>(467,131)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(467,131)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(370,254)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,416,961</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,046,707</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	<u>(\$421,352)</u>
Depreciation	42,068
Changes in Assets and Liabilities:	
Decrease in Materials and Supplies Inventory	19,575
Decrease in Accounts Receivable	78,808
Increase in Intergovernmental Receivable	(1,302)
Decrease in Accounts Payable	(7,576)
Decrease in Accrued Wages and Benefits Payable	(6,106)
Increase in Contracts Payable	7,837
Decrease in Vacation Benefits Payable	(194)
Increase in Sick Leave Benefits Payable	20,533
Increase in Intergovernmental Payable	1,273
	<u>1,273</u>
Net Cash Used for Operating Activities	<u><u>(\$266,436)</u></u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2009

	<u>Student Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$40,745</u>
Liabilities	
Due to Students	<u>\$40,745</u>

See accompanying notes to the basic financial statements

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

Note 1 - Description of the Career Center and Reporting Entity

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

The Career Center was formed in 1967. The buildings are located on a 173.82 acre site and were opened for instruction in 1972. It is staffed by 21 classified employees and 45 certificated employees who provide services to 439 Washington County juniors and seniors and 1,237 adult students through the adult education department evening classes and customized training for business and industry.

Reporting Entity

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

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

The Career Center participates in the Southeastern Ohio Voluntary Education Cooperative and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as an insurance purchasing pool. These organizations are presented in Notes 18 and 19.

Note 2 - Summary of Significant Accounting Policies

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

A. Basis of Presentation

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

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

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

Fund Financial Statements During the fiscal year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary fund is reported by type.

B. Fund Accounting

The Career Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the Career Center are divided into three categories: governmental, proprietary, and fiduciary.

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

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Appalachian Regional Commission Grant Fund This fund accounts for federal money from the Appalachian Regional Commission used for a high voltage electrical substation training lab.

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

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

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

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

C. Measurement Focus

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

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

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

D. Basis of Accounting

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

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

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

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

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

Property taxes for which there was an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

E. Cash and Cash Equivalents

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

The Career Center's investments during fiscal year 2009 were the State Treasury Asset Reserve of Ohio (STAROhio) and money market mutual funds. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2009.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$137,698, which includes \$70,005 assigned from other Career Center funds.

The Career Center utilizes a financial institution to service payments to the contractors as they come due for their House Bill 264 project. The balance in this account is presented on the balance sheet as "restricted equity in pooled cash and cash equivalents" and represents money market mutual funds.

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

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

G. Inventory

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

H. Capital Assets

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

Capital assets utilized by the Adult Education Enterprise Fund are reported both in the business-type activity column of the government-wide statement of net assets and in the fund.

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

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

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

I. Interfund Balances

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

J. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets include amounts required by statute to be set-aside by the Career Center for the acquisition or construction of capital assets, the unspent workers' compensation refund monies required to be maintained for budget stabilization, unclaimed monies, and cash held with fiscal agents for payment to the contractors under the Career Center's lease-purchase agreement. See Note 21 for additional information regarding set-asides.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Career Center will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as "vacation benefits payable", rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Career Center has identified as probable of receiving payment in the future.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the Career Center's termination policy. The Career Center records a liability for accumulated unused sick leave for classified and certified employees after one year of service with the Career Center.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Internal Activity

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

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

N. Fund Balance Reserves/Designations

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

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

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

O. Unamortized Issuance Costs

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

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

P. Net Assets

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

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

Q. Operating Revenues and Expenses

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

R. Extraordinary and Special Item

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

S. Estimates

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

T. Budgetary Process

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the function and object level and has the authority to allocate appropriations to the function and object level.

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

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

Note 3 - Restatement of Prior Year Balance

During fiscal year 2009, it was determined that the fund balance of the General Fund at June 30, 2008, was understated by \$68,249 due to the incorrect recording of a debt payment. The fund balance was restated from \$2,188,316 to \$2,256,565.

Note 4 - Fund Deficits

The following funds had deficit fund balances at of June 30, 2009:

	<u>Deficit</u>
Special Revenue Funds:	
Appalachian Regional Commission Grant	\$104,000
Miscellaneous Federal Grants	420

The deficits in the Special Revenue Funds are the result of over-expended grant resources. The General Fund provides transfers to cover deficit fund balances in special revenue funds; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

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

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

Net Change in Fund Balance

	General Fund	Appalachian Regional Commission Grant Fund
GAAP Basis	\$83,581	(\$104,000)
Net Adjustment for:		
Revenue Accruals	(58,989)	0
Expenditure Accruals	86,143	0
Unreported Interest:		
Beginning of Fiscal Year	12,099	0
End of Fiscal Year	(9,208)	0
End of Fiscal Year Segregated Cash	(3,225)	0
Prepaid Items:		
Beginning of Fiscal Year	1,392	0
End of Fiscal Year	(1,599)	0
Advances In	26,786	250,000
Advances Out	(279,182)	0
Encumbrances	(226,727)	0
Total All Funds	<u>(\$368,929)</u>	<u>\$146,000</u>

Note 6 - Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Career Center treasury.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Active monies must be maintained either as cash in the Career Center treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

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

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$3,883,120 of the Career Center's bank balance of \$4,473,873 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirement could potentially subject the Career Center to a successful claim by the FDIC.

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

Investments As of June 30, 2009, the Career Center had the following investments: STAROhio which is part of the internal investment pool and money market mutual funds held by a fiscal agent in an escrow account that is restricted for construction and payment of debt.

	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>	<u>Rating Agency</u>
Money Market Mutual Funds	\$1,123,915	N/A	Aaa	Moody's
STAROhio	4,819	Average - 58.1 Days	AAAm	S&P
Total	<u>\$1,128,734</u>			

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

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

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

Note 7 - 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.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007, and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

The Career Center receives property taxes from Washington, Athens, Morgan, and Noble Counties. The Washington County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable includes real, personal property, and public utility taxes which are measurable as of June 30, 2009, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred. The amount available as an advance at June 30, 2009, was \$58,738 and is recognized as revenue in the General Fund. The amount available as an advance to the General Fund at June 30, 2008, was \$39,017.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

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

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$944,016,440	81.03%	\$954,341,580	85.45%
Public Utility Personal	160,425,960	13.77%	162,502,820	14.55%
Tangible Personal Property	60,598,180	5.20%	0	0.00%
Total	\$1,165,040,580	100.00%	\$1,116,844,400	100.00%
Tax Rate per \$1,000 of assessed valuation	\$1.80		\$1.80	

Note 8 - Interfund Activity

A. Transfers

The General Fund transferred \$9,164 to the State Grants Special Revenue Fund during fiscal year 2009. The transfer was to cover additional expenditures of the program not covered by the grant dollars.

B. Balances

Interfund balances at June 30, 2009, arise from the provision of cash flow resources from the General Fund until the receipt of grant monies by the special revenue funds for \$261,409.

	Receivables	Payables
General	\$261,409	\$0
Special Revenue Funds:		
State Grants	0	2,709
Appalachian Regional Commission Grant	0	250,000
Federal Grants	0	8,700
Total Special Revenue Funds	0	261,409
Total All Funds	\$261,409	\$261,409

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Note 9 - Receivables

Receivables at June 30, 2009, consisted of property taxes, accounts (rent, billings for user charged services, and tuition), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of \$55,868 may not be collected within one year. All other receivables are expected to be collected within one year. A summary of principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities:	
Appalachian Regional Commission	\$104,000
Carl Perkins	28,945
Youth Employment Program Grant	6,960
Fruit and Vegetable Grant	3,515
Services Reimbursements	2,205
Adult Full Service Grant	1,401
Homestead and Rollback	1,069
Credentialing Grant	909
School Breakfast Program	81
Other	<u>643</u>
 Total Governmental Activities	 <u>149,728</u>
 Business-Type Activity	
Ohio Department of Education	52,174
Tuition	<u>63,592</u>
 Total Business-Type Activity	 <u>115,766</u>
 Total	 <u><u>\$265,494</u></u>

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

Note 10 - Capital Assets

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

	Balance 6/30/2008	Additions	Deductions	Balance 6/30/2009
Governmental Activities:				
Capital Assets:				
Capital Assets not being depreciated:				
Land	\$48,000	\$0	\$0	\$48,000
Construction in Progress	0	548,006	0	548,006
Total Capital Assets not being depreciated	<u>48,000</u>	<u>548,006</u>	<u>0</u>	<u>596,006</u>
Depreciable Capital Assets:				
Buildings and Improvements	6,911,608	0	0	6,911,608
Furniture and Equipment	3,075,983	476,805	(278,731)	3,274,057
Vehicles	73,503	9,600	(5,000)	78,103
Total Capital Assets being Depreciated	<u>10,061,094</u>	<u>486,405</u>	<u>(283,731)</u>	<u>10,263,768</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,495,395)	(119,148)	0	(1,614,543)
Furniture and Equipment	(1,859,832)	(255,233)	255,470	(1,859,595)
Vehicles	(44,342)	(5,674)	5,000	(45,016)
Total Accumulated Depreciation	<u>(3,399,569)</u>	<u>(380,055) *</u>	<u>260,470</u>	<u>(3,519,154)</u>
Total Capital Assets being Depreciated, Net	<u>6,661,525</u>	<u>106,350</u>	<u>(23,261)</u>	<u>6,744,614</u>
Governmental Activities Capital Assets, Net	<u>\$6,709,525</u>	<u>\$654,356</u>	<u>(\$23,261)</u>	<u>\$7,340,620</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$23,555
Vocational	199,440
Adult/Continuing	66,886
Support Services:	
Pupils	7,838
Instructional Staff	8,321
Administration	14,666
Fiscal	6,416
Business	784
Operation and Maintenance of Plant	31,189
Transportation	92
Central	15,329
Food Service	5,053
Extracurricular Activities	486
Total Depreciation Expense	<u>\$380,055</u>

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

	Balance 6/30/2008	Additions	Deductions	Balance 6/30/2009
Business-Type Activity:				
Capital Assets:				
Capital Assets not being depreciated:				
Construction in Progress	\$0	\$498,940	\$0	\$498,940
Total Capital Assets not being depreciated	0	498,940	0	498,940
Depreciable Capital Assets:				
Furniture and Equipment	380,654	137,721	(19,896)	498,479
Vehicles	22,610	0	0	22,610
Total Capital Assets being Depreciated	403,264	137,721	(19,896)	521,089
Less Accumulated Depreciation				
Furniture and Equipment	(170,153)	(2,261)	18,379	(154,035)
Vehicles	(13,587)	(39,807)	0	(53,394)
Total Accumulated Depreciation	(183,740)	(42,068)	18,379	(207,429)
Total Capital Assets being Depreciated, Net	219,524	95,653	(1,517)	313,660
Business-Type Activity Capital Assets, Net	\$219,524	\$594,593	(\$1,517)	\$812,600

Note 11 - Risk Management

A. Property and Liability

The Career Center is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the Career Center contracted with the following insurance company for coverage:

Utica National Insurance Company through	
Barengo Insurance Agency:	
Automobile Liability	\$1,000,000
Comprehensive (\$500 deductible)	
Collisions (\$500 deductible)	
Building and Contents - replacement cost (\$5,000 deductible)	24,303,000
Equipment Breakdown (\$5,000 deductible)	24,303,000
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	3,000,000
Employee Benefits Liability (\$1,000 Deductible):	
Each Offence Limit	1,000,000
Aggregate Limit	3,000,000
Employers' Liability:	
Each Occurrence	1,000,000
Each Employee	1,000,000
Educational Legal Liability (\$5,000 Deductible):	
Errors and Omissions/Aggregate	1,000,000/3,000,000
Employment Practices/Aggregate	1,000,000/3,000,000

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

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

B. Workers' Compensation

For fiscal year 2009, the Career Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

Note 12 - Employee Benefits

A. Compensated Absences

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

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

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

B. Insurance

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

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

Note 13 - Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The Career Center contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute at an actuarially determined rate. The current Career Center rate is 14 percent of annual covered payroll. A portion of the Career Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Career Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007, were \$69,814, \$70,587, and \$71,901, respectively; 97.06 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

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

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

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

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The Career Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Career Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007, were \$411,039, \$423,103, and \$425,727, respectively; 89.76 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$9,700 made by the Career Center and \$19,397 made by the plan members.

C. Social Security System

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

Note 14 - Postemployment Benefits

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

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

The Career Center's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$47,508, \$47,620, and \$32,668, respectively; 65.28 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The Career Center's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007, were \$5,782, \$5,094, and \$3,503, respectively; 97.07 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Washington County Career Center, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Career Center’s contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$31,618, \$32,546, and \$32,748, respectively; 89.76 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Note 15 - Long-Term Obligations

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

	Principal Outstanding 6/30/08	Additions	Reductions	Principal Outstanding 6/30/09	Amounts Due in One Year
Governmental Activities:					
Energy Conservation Notes - 2.0%-5.9%					
July 23, 2002, \$615,000	\$405,000	\$0	\$35,000	\$370,000	\$40,000
Capital Leases	1,168,971	0	63,065	1,105,906	65,709
Qualified Zone Academy Bonds - 0%					
July 1, 2007, \$1,225,000	1,225,000	0	0	1,225,000	0
Sick Leave Benefits	467,427	30,246	58,026	439,647	0
Total Governmental Activities	\$3,266,398	\$30,246	\$156,091	\$3,140,553	\$105,709
Business-Type Activity:					
Capital Leases	\$7,679	\$0	\$4,333	\$3,346	\$3,346
Sick Leave Benefits	80,460	20,533	0	100,993	22,473
Total Business-Type Activities	\$88,139	\$20,533	\$4,333	\$104,339	\$25,819

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

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

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

The overall debt margin of the Career Center as of June 30, 2009, was \$100,515,996, with an unvoted debt margin of \$1,116,844.

Principal and interest requirements to retire the energy conservation notes outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2010	\$40,000	\$20,320	\$60,320
2011	40,000	18,290	58,290
2012	40,000	15,930	55,930
2013	45,000	13,422	58,422
2014	45,000	10,768	55,768
2015-2017	160,000	14,455	174,455
Total	<u>\$370,000</u>	<u>\$93,185</u>	<u>\$463,185</u>

Note 16 - Capital Leases – Lessee Disclosure

In prior years, the Career Center has entered into capitalized leases for copiers, duplicators, and heating and cooling systems upgrades. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balances for the governmental funds. Principal payments in 2009 were \$63,065 for the governmental activities.

	Governmental Activities	Business-Type Activities
Property under Capital Lease	\$1,470,246	\$12,895
Less Accumulated Depreciation	(63,709)	(5,803)
Total June 30, 2009	<u>\$1,406,537</u>	<u>\$7,092</u>

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

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

Fiscal Year Ending	Governmental Activities	Business-Type Activities
2010	\$110,930	\$3,393
2011	110,930	0
2012	110,930	0
2013	110,930	0
2014	110,930	0
2015-2019	554,644	0
2020-2022	332,789	0
Total	1,442,083	3,393
Less: Amount Representing Interest	(336,177)	(47)
Present Value of Net Minimum Lease Payments	<u>\$1,105,906</u>	<u>\$3,346</u>

Note 17 - Contractual Commitment

As of June 30, 2009, the Career Center had contractual purchase commitments for construction and services as follows:

Project and Fund	Contract Amount	Amount Expended	Amount Remaining
Roof Construction:			
General Fund	\$53,900	\$40,000	\$13,900
Permanent Improvement Capital Projects Fund	1,025,189	442,805	582,384
Adult Education Enterprise Fund	680,000	498,940	181,060
Total Project	<u>1,759,089</u>	<u>981,745</u>	<u>777,344</u>
Roof Engineering:			
General Fund	85,230	65,201	20,029
Painting:			
Adult Education Enterprise Fund	24,104	7,837	16,267
Total	<u>\$1,868,423</u>	<u>\$1,054,783</u>	<u>\$813,640</u>

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

Note 18 - Jointly Governed Organizations

A. Southeastern Ohio Voluntary Education Cooperative (SEOVEC)

SEOVEC was created as a regional council of governments pursuant to State statutes. SEOVEC is a computer consortium formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. SEOVEC has 28 participants consisting of school districts in nine southeastern Ohio counties. SEOVEC is governed by a governing board which is selected by the member districts. SEOVEC possesses its own budgeting and taxing authority. During fiscal year 2009, the Career Center paid \$16,544 to SEOVEC. To obtain financial information, write to the Southeastern Ohio Voluntary Education Cooperative at 221 North Columbus Road, Athens, Ohio 45701.

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 134 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 32 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel.

The Coalition is not dependent on the continued participation of the Career Center and the Career Center does not maintain an equity interest in or financial responsibility for the Coalition. The Career Center's membership fee was \$300 for fiscal year 2009. The financial information for the Coalition can be obtained from Dick Fisher, Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Note 19 - Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Plan

The Career Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Career Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

Note 20 - Contingencies

A. Grants

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

B. Litigation

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

Note 21 - Set-Asides

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

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may at the discretion of the board be returned to the District's general fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve. During fiscal year 2002, the Board of Education passed a resolution to maintain the refunds from the Bureau of Workers Compensation in the budget reserve pursuant to State Statute and at June 30, 2008, this continues to be set aside.

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

Washington County Career Center, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2008	\$44,352	(\$27,258)	\$28,932
Current Year Set-aside Requirement	71,182	71,182	0
Qualifying Disbursements	(85,679)	(71,763)	0
Total	<u>\$29,855</u>	<u>(\$27,839)</u>	<u>\$28,932</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$29,855</u>	<u>(\$27,839)</u>	<u>\$28,932</u>

The Career Center had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years.

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

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

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	2008/2009	10.555	\$ 5,449	\$ 5,449
Cash Assistance:				
School Breakfast Program	2008/2009	10.553	23,787	23,787
National School Lunch Program	2008/2009	10.555	46,426	46,426
Cash Assistance Subtotal			<u>70,213</u>	<u>70,213</u>
Total Child Nutrition Cluster			<u>75,662</u>	<u>75,662</u>
Fresh Fruit and Vegetable Program	2008/2009	10.582	<u>34,043</u>	<u>34,043</u>
Total U.S. Department of Agriculture			109,705	109,705
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Direct from Federal Government:</i>				
Federal Pell Grant Program	2009	84.063	238,421	238,421
<i>Passed Through Ohio Department of Education:</i>				
Career and Technical Education - Basic Grants to States	2008 2009	84.048	21,016 <u>223,472</u>	30,153 <u>226,439</u>
Total Career and Technical Education - Basic Grants to States			<u>244,488</u>	<u>256,592</u>
Safe and Drug-Free Schools and Communities State Grants	2009	84.186	649	649
State Grants for Innovative Programs	2008 2009	84.298	30	356
Total State Grants for Innovative Programs			<u>30</u>	<u>356</u>
Improving Teacher Quality State Grants	2007 2008 2009	84.367	1,294	13 2,485 1,294
Total Improving Teacher Quality State Grants			<u>1,294</u>	<u>3,792</u>
Total U.S. Department of Education			484,882	499,810
<u>APPALACHIAN REGIONAL COMMISSION</u>				
<i>Direct from Federal Government:</i>				
Appalachian Area Development	N/A	23.002	146,000	250,000
Total Appalachian Regional Commission			<u>146,000</u>	<u>250,000</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 740,587</u>	<u>\$ 859,515</u>

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

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Career Center's (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 entitlement value.



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Washington County Career Center, Washington County, Ohio (the Career Center), as of and for the year ended June 30, 2009, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated January 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted a certain matter that we reported to the Career Center's management in a separate letter dated January 7, 2010.

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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 that we must report under *Government Auditing Standards*.

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

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

Mary Taylor, CPA
Auditor of State

January 7, 2010



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

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



Mary Taylor, CPA
Auditor of State

January 7, 2010

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other 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):	Career and Technical Education – Basic Grants to States - CFDA #84.048 Federal Pell Grant Program – CFDA #84.063
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**WASHINGTON COUNTY CAREER CENTER
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	A noncompliance citation was issued under Ohio Rev. Code Section 5705.41(B) for expenditures exceeding appropriations.	Yes	
2008-002	A noncompliance citation was issued under Ohio Admin. Code Section 117-2-02(C)(1) for appropriation as approved by the Board of Education not agreeing to the appropriations posted to the accounting system and estimated revenue as approved by the Budget Commission not agreeing to the accounting system.	Yes	



Mary Taylor, CPA

Auditor of State

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on October 9, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

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- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



Mary Taylor, CPA
Auditor of State

January 7, 2010



Mary Taylor, CPA
Auditor of State

WASHINGTON COUNTY CAREER CENTER

WASHINGTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 28, 2010**