



Mary Taylor, CPA  
Auditor of State





# Dave Yost • Auditor of State

January 25, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

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DAVE YOST  
Auditor of State

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VANTAGE CAREER CENTER  
VAN WERT COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Vantage Career Center  
Van Wert County  
818 North Franklin Street  
Van Wert, Ohio 45891

To the Board of Education:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 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.

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

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

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

December 22, 2010



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED**

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

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, net assets increased \$17,351,312. Net assets of governmental activities increased \$17,538,142, which represents a 185.09% increase from 2009. Net assets of business-type activities decreased \$186,830 or 49.12% from 2009.
- For governmental activities general revenues accounted for \$24,391,656 in revenue or 90.68% of all revenues. Program specific revenues for governmental activities in the form of charges for services and sales, grants and contributions accounted for \$2,506,911 or 9.32% of total revenues of \$26,898,567.
- The Career Center had \$9,329,425 in expenses related to governmental activities; only \$2,506,911 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$24,391,656 were adequate to provide for these programs.
- The Career Center had \$513,336 in expenses related to business-type activities; \$295,506 of these expenses was offset by program specific charges for services and grants and contributions. Transfers supporting business-type activities of \$31,000 were not adequate to support these programs.
- The Career Center's major governmental funds are the general fund, adult education fund, building fund and classroom facilities fund. The general fund had \$7,806,980 in revenues and \$7,743,885 in expenditures and other financing uses. The general fund's fund balance increased \$63,095 from \$2,224,033 to \$2,287,128.
- The adult education fund had \$891,047 in revenues and other financing sources and \$868,244 in expenditures. The adult education fund's fund balance increased \$22,803 from \$328,863 to \$351,666.
- The building fund had \$5,934,537 in revenues and other financing sources and \$421,078 in expenditures. The building fund's fund balance increased to \$5,513,459.
- The classroom facilities fund had \$7,395,613 in revenues and other financing sources and \$570,793 in expenditures. The classroom facilities fund balance increased to \$6,824,820.

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

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

The statement of net assets and statement of activities provide information about the activities of the whole Career Center, presenting both an aggregate view of the Career Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Career Center's most significant funds with all other non-major funds presented in total in one column. In the case of the Career Center, the general fund, adult education fund, building fund and classroom facilities fund are by far the most significant funds, and the only governmental funds reported as major funds.

**Reporting the Career Center as a Whole**

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

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

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

In the statement of net assets and the statement of activities, the Career Center is divided into two distinct 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, pupil transportation and extracurricular activities.

Business-type activities - These services are provided on charges for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Career Center's rotary and food service programs are reported as business activities.

The Career Center's statement of net assets and statement of activities can be found on pages 15-16 of this report.

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

***Fund Financial Statements***

The analysis of the Career Center's major governmental funds begins on page 10. Fund financial reports provide detailed information about the Career Center's major funds. The Career Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the general fund, adult education fund, building fund and classroom facilities fund.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

***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 year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 17-19 of this report.

***Proprietary Funds***

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the Career Center as a whole. The basic proprietary fund financial statements can be found on pages 23-25 of this report.

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

The Career Center acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in agency funds. All of the Career Center's fiduciary activities are reported in a separate statement of fiduciary net assets on page 26. These activities are excluded from the Career Center's other financial statements because the assets cannot be utilized by the Career Center to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-52 of this report.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

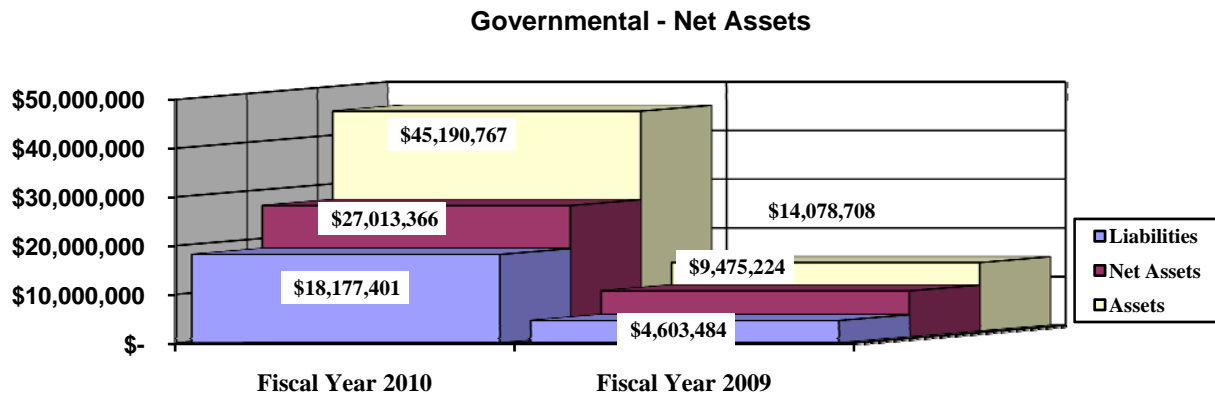
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**The Career Center as a Whole**

Recall that the statement of net assets provides the perspective of the Career Center as a whole. The table below provides a summary of the Career Center's net assets for 2010 and 2009.

	<b>Net Assets</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Assets:</b>						
Current assets	\$41,030,364	\$10,610,845	\$167,484	\$345,795	\$41,197,848	\$10,956,640
Capital assets, net	4,160,403	3,467,863	48,935	55,778	4,209,338	3,523,641
Total assets	<u>45,190,767</u>	<u>14,078,708</u>	<u>216,419</u>	<u>401,573</u>	<u>45,407,186</u>	<u>14,480,281</u>
<b>Liabilities:</b>						
Current liabilities	5,089,294	3,953,287	22,915	21,239	5,112,209	3,974,526
Long-term liabilities	13,088,107	650,197			13,088,107	650,197
Total liabilities	<u>18,177,401</u>	<u>4,603,484</u>	<u>22,915</u>	<u>21,239</u>	<u>18,200,316</u>	<u>4,624,723</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	3,621,973	3,321,640	48,935	55,778	3,670,908	3,377,418
Restricted	17,898,161	1,140,086			17,898,161	1,140,086
Unrestricted	5,493,232	5,013,498	144,569	324,556	5,637,801	5,338,054
Total net assets	<u>\$27,013,366</u>	<u>\$9,475,224</u>	<u>\$193,504</u>	<u>\$380,334</u>	<u>\$27,206,870</u>	<u>\$9,855,558</u>

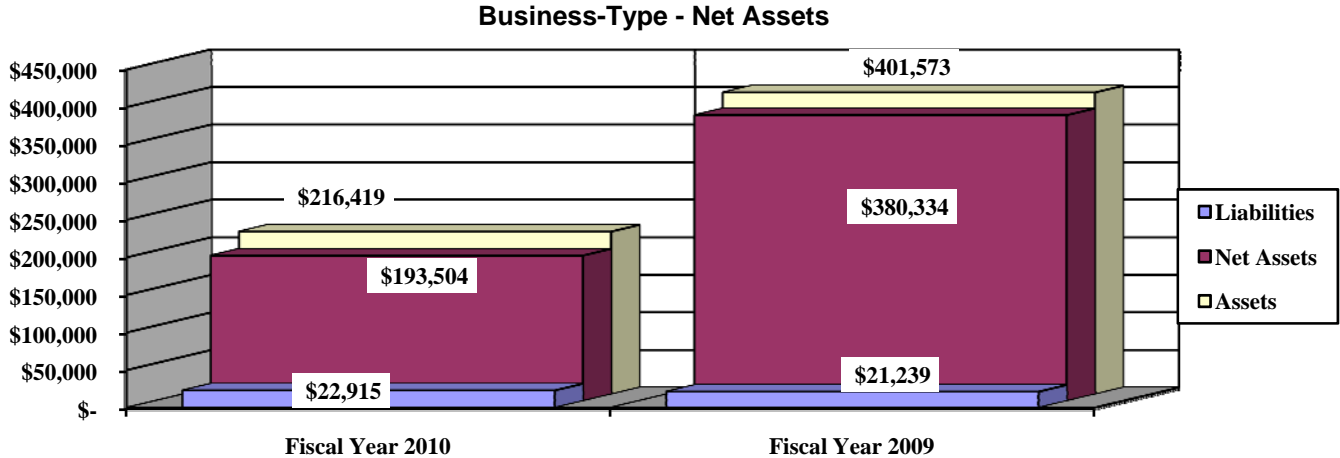
The table below provides a summary of the Career Center's governmental net assets for 2010 and 2009:



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

The table below provides a summary of the Career Center's business-type net assets for 2010 and 2009:



The table below shows the change in net assets for fiscal year 2010 and 2009.

	<b>Change in Net Assets</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services and sales	\$ 1,414,702	\$1,159,939	\$214,610	\$451,751	\$ 1,629,312	\$1,611,690
Operating grants and contributions	1,092,209	1,048,225	80,896	59,561	1,173,105	1,107,786
<b>General revenues:</b>						
Property taxes	3,668,793	2,701,623			3,668,793	2,701,623
Grants and entitlements	4,298,015	4,055,270			4,298,015	4,055,270
Ohio School Facilities Grant	16,254,416				16,254,416	
Investment earnings	154,211	216,101			154,211	216,101
Other	16,221	20,496			16,221	20,496
<b>Total revenues</b>	<b>26,898,567</b>	<b>9,201,654</b>	<b>295,506</b>	<b>511,312</b>	<b>27,194,073</b>	<b>9,712,966</b>
<b>Expenses:</b>						
<b>Program Expenses:</b>						
<b>Instruction:</b>						
Vocational	5,349,871	4,992,566			5,349,871	4,992,566
Adult education	855,498	781,751			855,498	781,751
<b>Support Services:</b>						
Pupil	485,948	466,914			485,948	466,914
Instructional staff	290,023	248,901			290,023	248,901
Board of education	57,850	84,757			57,850	84,757
Administration	624,983	582,818			624,983	582,818
Fiscal	360,683	361,657			360,683	361,657
Operations and maintenance	695,844	647,539			695,844	647,539
Pupil transportation	21,782	10,440			21,782	10,440
Central	459,303	497,441			459,303	497,441

(Continued)

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**Change in Net Assets  
(Continued)**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Expenses: (Continued)</b>						
<b>Support Services:</b>						
Operation of non-instructional services	9,450	11,710			9,450	11,710
Extracurricular activities	43,471	26,550			43,471	26,550
Interest and fiscal charges	74,719	26,678			74,719	26,678
Rotary			270,032	345,440	270,032	345,440
Food service operations			243,304	250,764	243,304	250,764
Total expenses	9,329,425	8,739,722	513,336	596,204	9,842,761	9,335,926
Transfers	(31,000)	(30,000)	31,000	30,000		
Changes in net assets	17,538,142	431,932	(186,830)	(54,892)	17,351,312	377,040
Net assets at beginning of year	9,475,224	9,043,272	380,334	435,226	9,855,558	9,478,518
Net assets at end of year	<u>\$27,013,366</u>	<u>\$9,475,224</u>	<u>\$193,504</u>	<u>\$380,334</u>	<u>\$27,206,870</u>	<u>\$9,855,558</u>

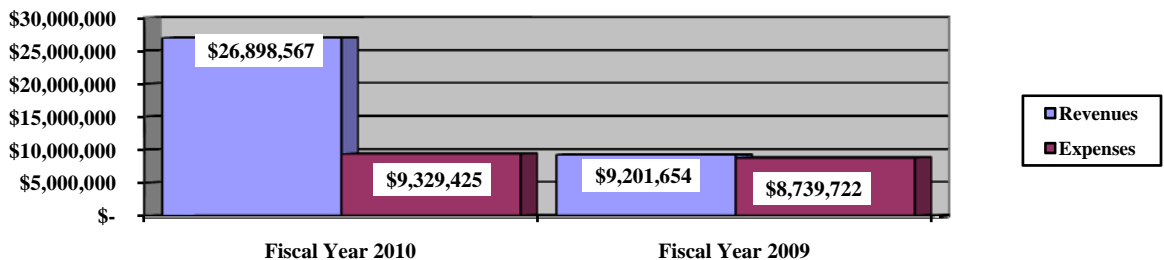
**Governmental Activities**

Net assets of the Career Center's governmental activities increased \$17,538,142. Total governmental expenses of \$9,329,425 were offset by program revenues of \$2,506,911 and general revenues of \$24,391,656. Program revenues supported 26.87% of the total governmental expenses.

The largest source of revenue comes from property taxes, unrestricted grants and entitlements and the Ohio School Facilities Commission grant, which account for 90.05% of total governmental revenues. Unrestricted grants and entitlements include monies received from the Ohio Department of Education, State foundation, and property tax relief such as homestead rollbacks and exemptions. The Ohio School Facilities Commission (OSFC) grant revenue is the State share of a construction project grant for which the Career Center has issued bond anticipation notes for the local share of the project (see Note 10 in the notes to the basic financial statements).

The graph below presents the Career Center's governmental activities revenue and expenses for fiscal years 2010 and 2009.

**Governmental Activities - Revenues and Expenses**



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

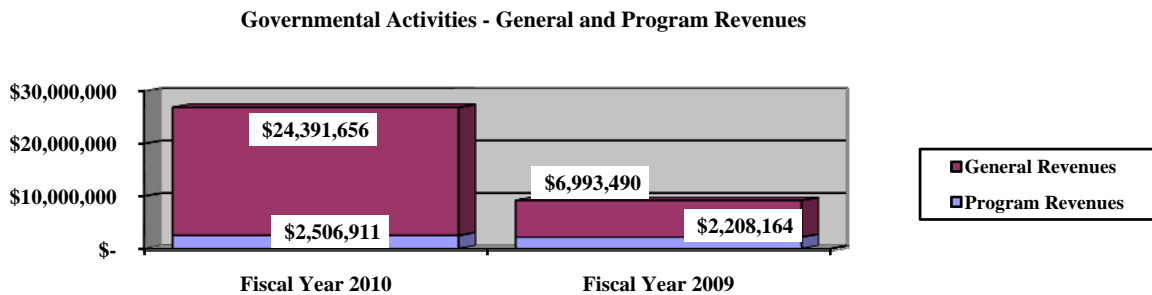
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2010 and 2009. It identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2010</b>	<b>Total Cost of Services 2009</b>	<b>Net Cost of Services 2009</b>
<b>Program expenses:</b>				
<b>Instruction:</b>				
Vocational	\$5,349,871	\$3,962,557	\$4,992,566	\$3,916,655
Adult education	855,498	61,692	781,751	10,880
<b>Support services:</b>				
Pupil	485,948	326,318	466,914	304,987
Instructional staff	290,023	249,195	248,901	162,010
Board of Education	57,850	57,850	84,757	84,757
Administration	624,983	506,034	582,818	486,666
Fiscal	360,683	358,870	361,657	361,657
Operations and maintenance	695,844	695,694	647,539	646,914
Pupil transportation	21,782	21,782	10,440	10,440
Central	459,303	455,411	497,441	486,067
Other non-instructional services	9,450	9,450	11,710	11,710
Extracurricular activities	43,471	42,942	26,550	22,137
Interest and fiscal charges	74,719	74,719	26,678	26,678
<b>Total expenses</b>	<b>\$9,329,425</b>	<b>\$6,822,514</b>	<b>\$8,739,722</b>	<b>\$6,531,558</b>

The dependence upon tax revenues during fiscal year 2010 for governmental activities is apparent, as 64.85% of 2010 instruction activities are supported through taxes and other general revenues. All governmental activities general revenue support was 73.13% in 2010.

The graph below presents the Career Center's governmental activities revenue for fiscal years 2010 and 2009.



**Business-Type Activities**

The rotary and food service programs provide the business-type activities. These programs had revenues of \$295,506 and expenses of \$513,336 for fiscal year 2010. The Career Center's business activities receive no support from tax revenues.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**The Career Center's Funds**

The Career Center's governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$20,176,136, which is higher than last year's total of \$6,407,337. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and 2009.

	<b>Fund Balance June 30, 2010</b>	<b>Fund Balance June 30, 2009</b>	<b>Increase</b>
General	\$ 2,287,128	\$2,224,033	\$ 63,095
Adult Education	351,666	328,863	22,803
Building	5,513,459		5,513,459
Classroom Facilities	6,824,820		6,824,820
Other Governmental	5,199,063	3,854,441	1,344,622
<b>Total</b>	<b>\$20,176,136</b>	<b>\$6,407,337</b>	<b>\$13,768,799</b>

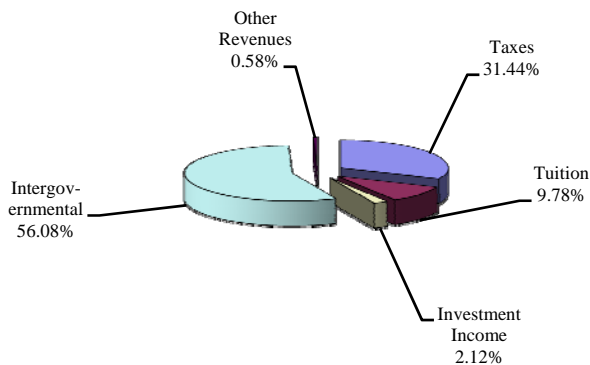
**General Fund**

The Career Center's general fund balance increased \$63,095. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

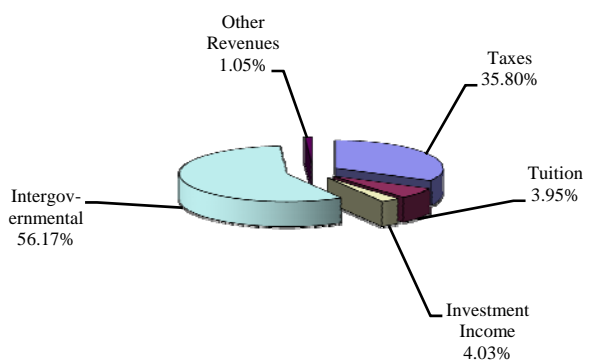
	<b>2010 Amount</b>	<b>2009 Amount</b>	<b>Percentage Change</b>
<b>Revenues:</b>			
Taxes	\$2,454,869	\$2,384,258	2.96%
Tuition	763,904	471,706	61.94%
Interest earnings	165,801	206,303	(19.63)%
Intergovernmental	4,378,141	4,219,462	3.76%
Other revenues	44,265	77,010	(42.52)%
<b>Total</b>	<b>\$7,806,980</b>	<b>\$7,358,739</b>	<b>6.09%</b>

Tuition revenue increased 61.94% due to an increase in career tech programs offered through the Career Center. Interest earnings decreased 19.63% due to decreasing interest rates during the year.

**Revenues - Fiscal Year 2010**



**Revenues - Fiscal Year 2009**





**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

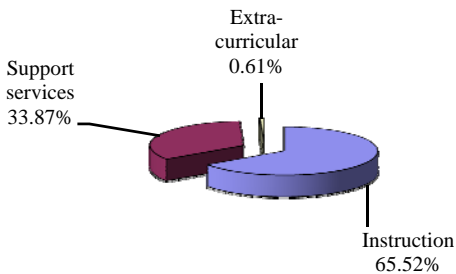
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

The table that follows assists in illustrating the expenditures of the general fund.

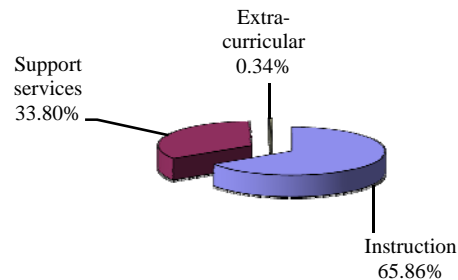
<b>Expenditures:</b>	<b>2010 Amount</b>	<b>2009 Amount</b>	<b>Percentage Change</b>
Instruction	\$4,588,511	\$4,373,714	4.91%
Support services	2,371,650	2,244,637	5.66%
Extracurricular activities	42,684	22,480	89.88%
<b>Total</b>	<b>\$7,002,845</b>	<b>\$6,640,831</b>	<b>5.45%</b>

Increased expenditures in instruction and support services were related to the increase in career tech programs offered through the Career Center. All other expenditures were comparable to the prior year.

**Expenditures - Fiscal Year 2010**



**Expenditures - Fiscal Year 2009**



**Adult Education Fund**

The adult education fund had \$891,047 in revenues and other financing sources and \$868,244 in expenditures. The adult education fund's fund balance increased \$22,803 from \$328,863 to \$351,666.

**Building Fund**

The Career Center issued bond anticipation notes and entered into a project agreement with the Ohio School Facilities Commission (OSFC) during fiscal year 2010. A portion of the bond anticipation notes were receipted into the building fund to finance the locally funded initiative portion of the project. The building fund had \$5,934,537 in revenues and other financing sources and \$421,078 in expenditures. The building fund's fund balance increased to \$5,513,459.

**Classroom Facilities Fund**

The State and local share of the OSFC project will be accounted for in the classroom facilities fund. During fiscal year 2010, the Career Center began receiving disbursements for the State share of the project and a portion of the bond anticipation notes. The classroom facilities fund had \$7,395,613 in revenues and other financing sources and \$570,793 in expenditures. The classroom facilities fund balance increased to \$6,824,820.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**General Fund Budgeting Highlights**

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

During the course of fiscal 2010, the Career Center amended its general fund budget numerous times, none significant. The Career Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$189,807 higher than original budget estimates of \$7,642,364. Actual revenues and other financing sources were \$7,828,632; this was \$3,539 lower than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) of \$7,515,776 were increased to \$7,787,009 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$7,752,534 which was \$34,475 less than the final budgeted appropriations.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2010, the Career Center had \$4,209,338 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. \$4,160,403 was reported in governmental activities and \$48,935 in business-type activities. The following table shows fiscal 2010 balances compared to 2009:

**Capital Assets at June 30  
(Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Land	\$ 40,000	\$ 40,000			\$ 40,000	\$ 40,000
Land improvements	25,539	32,234			25,539	32,234
Building and improvements	1,955,150	2,076,969			1,955,150	2,076,969
Furniture and equipment	1,114,552	1,218,785	\$48,935	\$55,778	1,163,487	1,274,563
Vehicles	85,285	99,875			85,285	99,875
Construction in progress	939,877				939,877	
<b>Total</b>	<b>\$4,160,403</b>	<b>\$3,467,863</b>	<b>\$48,935</b>	<b>\$55,778</b>	<b>\$4,209,338</b>	<b>\$3,523,641</b>

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

***Debt Administration***

At June 30, 2010 the Career Center had \$140,139 in capital lease obligations outstanding and \$12,409,000 in bond anticipation notes payable. Of this total, \$12,461,181 is due within one year and \$87,958 is due in greater than one year. The following table summarizes the lease obligations outstanding.

<b>Outstanding Debt, at Year End</b>		
	<b>Governmental Activities 2010</b>	<b>Governmental Activities 2009</b>
Capital lease obligations	\$ 140,139	\$146,759
Bond anticipation notes	12,409,000	
Total	<u>\$12,549,139</u>	<u>\$146,759</u>

At June 30, 2010 the Career Center's overall legal debt margin was \$79,484,201 with an un-voted debt margin of \$1,013,848.

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

**Current Financial Related Activity**

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

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

The Career Center's enrollment was stable for fiscal year 2010 and it appears fiscal year 2011 is going to remain. But as the Career Center looks to the future, we could see an enrollment decrease due to the associate schools' enrollment declining. The Board of Education and administration are actively looking at marketing strategies that will keep our enrollment increasing. Starting with the fiscal year 2009, the Career Center collaborated with 3 of our associate schools on their career tech programs. This has generated more revenues for the Career Center. Starting in fiscal year 2010, the Career Center has collaborated with another associate school for career tech services. At this time, the State of Ohio is guaranteeing the Career Center's funding to be the same as fiscal year 2010 with an increase of 0.75%. In the midst of the depressed economy, this is good news for the Career Center. Unfortunately starting with fiscal year 2011, the Career Center is projecting cuts in the funding the Career Center receives from the State. The State has not released a definite percentage for those cuts, but cuts are inevitable. The Career Center is putting together possible cuts with a phasing plan at this time.

On November 3, 2009 the Career Center's voters approved a 1.05 mill bond issue to fund additions and renovations to the existing facility. The total project is \$34 million dollars and is co-funded by the State of Ohio through the Ohio School Facilities Commission. At this time the project is in the design phase with construction starting in spring of 2011.

In closing, the financial outlook for the Career Center at this time is stable. The Board of Education is committed to providing the best possible education. Unfortunately in this economy, The Board of Education must be looking ahead and preparing for cuts.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

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

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2010**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$11,714,772	\$202,807	\$11,917,579
Investments	9,475,757		9,475,757
<b>Receivables:</b>			
Taxes	4,235,361		4,235,361
Accounts	18		18
Intergovernmental	15,436,346		15,436,346
Accrued interest	4,749		4,749
Internal loans	122,000	(122,000)	
Prepayments	41,361		41,361
Materials and supplies inventory		86,677	86,677
<b>Capital assets:</b>			
Land and construction in progress	979,877		979,877
Depreciable capital assets, net	3,180,526	48,935	3,229,461
Capital assets, net	<u>4,160,403</u>	<u>48,935</u>	<u>4,209,338</u>
Total assets	<u>45,190,767</u>	<u>216,419</u>	<u>45,407,186</u>
<b>Liabilities:</b>			
Accounts payable	14,241	345	14,586
Contracts payable	534,221		534,221
Accrued wages and benefits	772,249	15,210	787,459
Pension obligation payable	109,097	6,863	115,960
Intergovernmental payable	28,330	497	28,827
Accrued interest payable	52,860		52,860
Unearned revenue	3,578,296		3,578,296
<b>Long-term liabilities:</b>			
Due within one year	12,548,945		12,548,945
Due in more than one year	539,162		539,162
Total liabilities	<u>18,177,401</u>	<u>22,915</u>	<u>18,200,316</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	3,621,973	48,935	3,670,908
<b>Restricted for:</b>			
Capital projects	16,623,827		16,623,827
Classroom facilities maintenance	225,040		225,040
Debt service	686,603		686,603
State funded programs	3,424		3,424
Federally funded programs	9,863		9,863
Public school support	3,492		3,492
Adult education	336,253		336,253
Other purposes	9,659		9,659
Unrestricted	5,493,232	144,569	5,637,801
Total net assets	<u>\$27,013,366</u>	<u>\$193,504</u>	<u>\$27,206,870</u>

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
<b>Instruction:</b>						
Vocational	\$5,349,871	\$792,641	\$594,673	(\$3,962,557)		(\$3,962,557)
Adult education	855,498	523,735	270,071	(61,692)		(61,692)
<b>Support services:</b>						
Pupil	485,948		159,630	(326,318)		(326,318)
Instructional staff	290,023	6,061	34,767	(249,195)		(249,195)
Board of education	57,850			(57,850)		(57,850)
Administration	624,983	89,980	28,969	(506,034)		(506,034)
Fiscal	360,683		1,813	(358,870)		(358,870)
Operations and maintenance	695,844	150		(695,694)		(695,694)
Pupil transportation	21,782			(21,782)		(21,782)
Central	459,303	1,606	2,286	(455,411)		(455,411)
Other non-instructional services	9,450			(9,450)		(9,450)
Extracurricular activities	43,471	529		(42,942)		(42,942)
Interest and fiscal charges	74,719			(74,719)		(74,719)
Total governmental activities	9,329,425	1,414,702	1,092,209	(6,822,514)		(6,822,514)
<b>Business-type activities:</b>						
Rotary	270,032	84,716			(\$185,316)	(185,316)
Food service	243,304	129,894	80,896		(32,514)	(32,514)
Total business-type activities	513,336	214,610	80,896		(217,830)	(217,830)
Totals	\$9,842,761	\$1,629,312	\$1,173,105	(6,822,514)	(217,830)	(7,040,344)
<b>General Revenues:</b>						
<b>Property taxes levied for:</b>						
General purposes				2,523,145		2,523,145
Debt service				692,652		692,652
Capital projects				452,996		452,996
Grants and entitlements not restricted to specific programs				4,298,015		4,298,015
Grants and entitlements restricted for Ohio School Facilities Commission grant				16,254,416		16,254,416
Investment earnings				154,211		154,211
Miscellaneous				16,221		16,221
Total general revenues				24,391,656		24,391,656
Transfers				(31,000)	31,000	
Total general revenues and transfers				24,360,656	31,000	24,391,656
Change in net assets				17,538,142	(186,830)	17,351,312
Net assets at beginning of year				9,475,224	380,334	9,855,558
Net assets at end of year				\$27,013,366	\$193,504	\$27,206,870

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Adult Education</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Equity in pooled cash and cash equivalents	\$2,791,165	\$394,496	\$531,542	\$2,865,078	\$5,132,491	\$11,714,772
Investments			4,981,800	4,493,957		9,475,757
<b>Receivables:</b>						
Taxes	2,726,788				1,508,573	4,235,361
Accounts	18					18
Intergovernmental				15,384,667	51,679	15,436,346
Accrued interest	3,084		990	675		4,749
Interfund loans	161,996					161,996
Prepayments	41,361					41,361
Total assets	<u>5,724,412</u>	<u>394,496</u>	<u>5,514,332</u>	<u>22,744,377</u>	<u>6,692,743</u>	<u>41,070,360</u>
<b>Liabilities:</b>						
Accounts payable	6,077	4,866			3,298	14,241
Contracts payable				534,221		534,221
Accrued wages and benefits	710,383	29,729			32,137	772,249
Compensated absences payable	46,364					46,364
Pension obligation payable	97,383	6,615			5,099	109,097
Intergovernmental payable	25,229	1,620			1,481	28,330
Interfund loans payable					39,996	39,996
Deferred revenue	247,917		873	15,385,336	137,304	15,771,430
Unearned revenue	2,303,931				1,274,365	3,578,296
Total liabilities	<u>3,437,284</u>	<u>42,830</u>	<u>873</u>	<u>15,919,557</u>	<u>1,493,680</u>	<u>20,894,224</u>
<b>Fund Balances:</b>						
Reserved for encumbrances	41,626	21,164	47,621		129,314	239,725
Reserved for prepayments	41,361					41,361
Reserved for property tax unavailable for appropriation	173,876				96,282	270,158
Reserved for advances	120,000					120,000
Reserved for debt service					581,026	581,026
<b>Unreserved, designated, reported in:</b>						
Designated for capital projects					3,462,760	3,462,760
<b>Unreserved, undesignated, reported in:</b>						
General fund	1,910,265					1,910,265
Special revenue funds		330,502			220,458	550,960
Capital projects funds			5,465,838	6,824,820	709,223	12,999,881
Total fund balances	<u>2,287,128</u>	<u>351,666</u>	<u>5,513,459</u>	<u>6,824,820</u>	<u>5,199,063</u>	<u>20,176,136</u>
Total liabilities and fund balances	<u>\$5,724,412</u>	<u>\$394,496</u>	<u>\$5,514,332</u>	<u>\$22,744,377</u>	<u>\$6,692,743</u>	<u>\$41,070,360</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2010**

Total governmental fund balances		\$20,176,136
<i>Amounts reported for governmental activities on 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.		4,160,403
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$385,183	
Accrued interest receivable	1,580	
Intergovernmental receivable	15,384,667	
Total	15,771,430	15,771,430
On the statement of net assets, interest is accrued on outstanding notes, whereas in governmental funds, interest is accrued when due.		(52,860)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bond anticipation notes payable	(12,409,000)	
Capital leases payable	(140,139)	
Compensated absences payable	(492,604)	
Total	(13,041,743)	(13,041,743)
Net assets of governmental activities		\$27,013,366

*See accompanying notes to the basic financial statements.*



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<u>General</u>	<u>Adult Education</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>						
<b>From local sources:</b>						
Taxes	\$2,454,869				\$1,041,321	\$3,496,190
Tuition	763,904	\$610,053				1,373,957
Earnings on investments	165,801		\$2,094	(\$2,687)	2,603	167,811
Classroom materials and fees	28,737					28,737
Extracurricular					2,135	2,135
Other local revenues	15,528	9,723			27,108	52,359
Intergovernmental - Intermediate	28,111					28,111
Intergovernmental - State	4,350,030	186,271		869,749	232,816	5,638,866
Intergovernmental - Federal					566,731	566,731
Total revenue	<u>7,806,980</u>	<u>806,047</u>	<u>2,094</u>	<u>867,062</u>	<u>1,872,714</u>	<u>11,354,897</u>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Vocational	4,588,511				504,780	5,093,291
Adult/continuing		731,457			113,916	845,373
<b>Support services:</b>						
Pupil	339,942				160,922	500,864
Instructional staff	238,739	8,459			35,143	282,341
Board of education	57,850					57,850
Administration	490,146	125,925			5,810	621,881
Fiscal	315,792				49,858	365,650
Operations and maintenance	603,257				80,325	683,582
Pupil transportation	2,517					2,517
Central	323,407				135,481	458,888
Extracurricular activities	42,684				717	43,401
Facilities acquisition and construction			396,324	543,553		939,877
Capital outlay					40,104	40,104
<b>Debt service:</b>						
Principal retirement		1,389			45,335	46,724
Interest and fiscal charges		1,014			20,845	21,859
Note issuance costs			24,754	27,240		51,994
Total expenditures	<u>7,002,845</u>	<u>868,244</u>	<u>421,078</u>	<u>570,793</u>	<u>1,193,236</u>	<u>10,056,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>804,135</u>	<u>(62,197)</u>	<u>(418,984)</u>	<u>296,269</u>	<u>679,478</u>	<u>1,298,701</u>
<b>Other financing sources (uses):</b>						
Premium on notes sold			24,754	27,240		51,994
Sale of notes			5,907,689	6,501,311		12,409,000
Transfers in		85,000			625,040	710,040
Transfers (out)	(741,040)					(741,040)
Capital lease transaction					40,104	40,104
Total other financing sources (uses)	<u>(741,040)</u>	<u>85,000</u>	<u>5,932,443</u>	<u>6,528,551</u>	<u>665,144</u>	<u>12,470,098</u>
Net change in fund balances	63,095	22,803	5,513,459	6,824,820	1,344,622	13,768,799
Fund balances at beginning of year	2,224,033	328,863			3,854,441	6,407,337
Fund balances at end of year	<u>\$2,287,128</u>	<u>\$351,666</u>	<u>\$5,513,459</u>	<u>\$6,824,820</u>	<u>\$5,199,063</u>	<u>\$20,176,136</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Net change in fund balances - total governmental funds \$13,768,799

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

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

Capital asset additions	\$1,168,807	
Current year depreciation	<u>(475,339)</u>	
 Total		 693,468

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities a loss is reported for each disposal. (928)

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

Taxes	172,603	
Accrued interest	(13,600)	
Intergovernmental	<u>15,384,667</u>	
Total		15,543,670

Repayment of capital lease principal is an expenditure in the governmental funds but the repayment decreases long-term liabilities on the statement of net assets. 46,724

Bond anticipation notes and capital lease transactions are recorded as an other financing source in the funds, however in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets. (12,449,104)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (52,860)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (11,627)

Change in net assets of governmental activities \$17,538,142

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
<b>From local sources:</b>				
Taxes	\$2,650,566	\$2,474,361	\$2,474,361	
Tuition	479,043	763,904	763,904	
Earnings on investments	192,003	170,000	166,736	(\$3,264)
Classroom materials and fees	59,923	28,737	28,737	
Other local revenues	14,884	11,373	11,373	
Intergovernmental - Intermediate	28,881	28,111	28,111	
Intergovernmental - State	4,150,379	4,350,030	4,350,030	
Total revenue	<u>7,575,679</u>	<u>7,826,516</u>	<u>7,823,252</u>	<u>(3,264)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Vocational	4,606,885	4,556,566	4,556,566	
<b>Support services:</b>				
Pupil	292,781	329,373	329,373	
Instructional staff	179,694	236,715	236,715	
Board of education	1,764	76,855	62,271	14,584
Administration	480,006	493,064	493,064	
Fiscal	356,329	317,712	316,724	988
Operations and maintenance	683,372	625,749	606,850	18,899
Pupil transportation	3,891	2,864	2,864	
Central	305,144	324,944	324,944	
Extracurricular activities	7,410	40,127	40,127	
Total expenditures	<u>6,917,276</u>	<u>7,003,969</u>	<u>6,969,498</u>	<u>34,471</u>
Excess of revenues over expenditures	<u>658,403</u>	<u>822,547</u>	<u>853,754</u>	<u>31,207</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures	2,250	1,500	1,025	(475)
Transfers (out)	(508,500)	(741,040)	(741,040)	
Advances in	58,630		200	200
Advances (out)	(90,000)	(42,000)	(41,996)	4
Sale of assets	5,805	4,155	4,155	
Total other financing sources (uses)	<u>(531,815)</u>	<u>(777,385)</u>	<u>(777,656)</u>	<u>(271)</u>
Net change in fund balance	126,588	45,162	76,098	30,936
Fund balance at beginning of year	2,605,023	2,605,023	2,605,023	
Prior year encumbrances appropriated	61,228	61,228	61,228	
Fund balance at end of year	<u>\$2,792,839</u>	<u>\$2,711,413</u>	<u>\$2,742,349</u>	<u>\$30,936</u>

See accompanying notes to the basic financial statements.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADULT EDUCATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>From local sources:</b>				
Tuition	\$575,912	\$678,721	\$610,053	(\$68,668)
Other local revenues	19,101	9,600	9,723	123
Intergovernmental - State	188,087	186,190	186,271	81
Total revenue	<u>783,100</u>	<u>874,511</u>	<u>806,047</u>	<u>(68,464)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Adult education	752,091	773,841	758,204	15,637
<b>Support services:</b>				
Instructional staff	7,227	8,668	9,752	(1,084)
Administration	92,049	128,893	125,935	2,958
Central	4,914	12,000	2,243	9,757
Total expenditures	<u>856,281</u>	<u>923,402</u>	<u>896,134</u>	<u>27,268</u>
Excess of expenditures over revenues	<u>(73,181)</u>	<u>(48,891)</u>	<u>(90,087)</u>	<u>(41,196)</u>
<b>Other financing sources:</b>				
Transfers in	76,500	85,000	85,000	
Total other financing sources	<u>76,500</u>	<u>85,000</u>	<u>85,000</u>	
Net change in fund balance	3,319	36,109	(5,087)	(41,196)
Fund balance at beginning of year	353,054	353,054	353,054	
Prior year encumbrances appropriated	20,829	20,829	20,829	
Fund balance at end of year	<u>\$377,202</u>	<u>\$409,992</u>	<u>\$368,796</u>	<u>(\$41,196)</u>

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010**

	<b>Business-Type Activities</b>
	<b>Non-major Enterprise Funds</b>
<b>Assets:</b>	
<b>Current assets:</b>	
Equity in pooled cash and cash equivalents .	\$202,807
Materials and supplies inventory	86,677
Total current assets	289,484
<b>Non-current assets:</b>	
Capital assets, net	48,935
Total assets	338,419
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable	345
Accrued wages and benefits	15,210
Interfund loan payable	122,000
Pension obligation payable	6,863
Intergovernmental payable	497
Total liabilities	144,915
<b>Net assets:</b>	
Invested in capital assets	48,935
Unrestricted	144,569
Total net assets	\$193,504

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>Business-Type Activities</b>
	<b>Non-major Enterprise Funds</b>
<b>Operating revenues:</b>	
Tuition and fees	\$20,718
Sales/charges for services	193,892
Total operating revenues	214,610
<b>Operating expenses:</b>	
Personal services	143,350
Purchased services	704
Materials and supplies	359,852
Other	2,587
Depreciation	6,843
Total operating expenses	513,336
Operating loss	(298,726)
<b>Non-operating revenues:</b>	
Federal donated commodities	7,637
Grants and subsidies	73,259
Total non-operating revenues	80,896
Loss before transfers	(217,830)
Transfer in	31,000
Change in net assets	(186,830)
Net assets at beginning of year	380,334
Net assets at end of year	\$193,504

*See accompanying notes to the basic financial statements.*

**VANTAGE CAREER CENTER  
VAN WERE COUNTY**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>Business-Type Activities</b>
	<b>Nonmajor Enterprise Funds</b>
<b>Cash flows from operating activities:</b>	
Cash received from tuition and fees	\$20,718
Cash received from sales/charges for services	193,892
Cash payments for personal services	(141,923)
Cash payments for purchased services	(704)
Cash payments for materials and supplies	(349,935)
Cash payments for other expenses	(2,587)
	(280,539)
 <b>Cash flows from noncapital financing activities:</b>	
Cash received from grants and subsidies	73,259
Cash received from internal loans	2,000
Cash received from transfers in	31,000
	106,259
 Net cash used in operating activities	(280,539)
 <b>Cash flows from noncapital financing activities:</b>	
Cash received from grants and subsidies	73,259
Cash received from internal loans	2,000
Cash received from transfers in	31,000
	106,259
 Net cash provided by non-capital financing activities	106,259
 Net decrease in cash and cash equivalents	(174,280)
 Cash and cash equivalents at beginning of year	377,087
Cash and cash equivalents at end of year	202,807
 <b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	(298,726)
 <b>Adjustments:</b>	
Depreciation	6,843
Federal donated commodities	7,637
 <b>Changes in assets and liabilities:</b>	
Decrease in materials and supplies inventory	2,031
Increase in accounts payable	345
Increase in accrued wages and benefits	2,734
Increase in intergovernmental payable	2
(Decrease) in pension obligation payable	(1,405)
	(1,405)
 Net cash used in operating activities	(\$280,539)

*See accompanying notes to the basic financial statements.*

VANTAGE CAREER CENTER  
VAN WERT COUNTY

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$51,445
Total assets	<u>51,445</u>
<b>Liabilities:</b>	
Accounts payable	192
Held for employees medical and dental reimbursements	17,433
Due to students	33,820
Total liabilities	<u>\$51,445</u>

*See accompanying notes to the basic financial statements.*



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**1. DESCRIPTION OF THE CAREER CENTER**

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

Career Centers provide job training for residents of participating districts. The Career Center provides various courses of instruction at the high school and adult education level. These courses include office occupation education, computer technology, auto and construction trades and cosmetology. The Career Center also provides support services for the pupils, instructional staff, facilities acquisitions and construction services, operation and maintenance of plant, food services, extracurricular activities, and non-programmed services. It is staffed by 30 non-certified employees and 65 certified full-time teaching personnel, who provide services to 580 full-time equivalent students and other community members.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

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

**Jointly Governed Organizations**

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

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

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

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

**B. Fund Accounting**

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

**1. Governmental Funds**

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

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

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

**Adult education fund** - The adult education fund is used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and reimbursement from the State Department of Education. Expenditures include supplies, salaries and textbooks.

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

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

Other governmental funds of the Career Center are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; (b) financial resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment; and (c) for grants and other resources whose use is restricted to a particular purpose.

**2. Proprietary Funds**

Proprietary funds are used to account for the Career Center's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The Career Center's only proprietary funds are enterprise funds. The following is a description of the Career Center's enterprise funds:

**Enterprise funds** - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Career Center has two non-major enterprise funds to account all transactions related to rotary services and food service operations provided by the Career Center.

**3. Fiduciary Funds**

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

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

**1. Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Career Center that are governmental and those that are considered business-type activities.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

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

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

**2. Fund Financial Statements**

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

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds 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 activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Career Center's enterprise funds are sales for food services and charges for services for rotary activities. Operating expenses for the enterprise funds are personnel costs and purchased services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

**D. Basis of Accounting**

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

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

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

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Career Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Career Center on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal yearend: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

**2. Unearned Revenue and Deferred Revenue**

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2010 are recorded as deferred revenue on the fund financial statements.

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

**3. Expenses/Expenditures**

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

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

**E. Budgets**

The Career Center is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2010 is as follows:

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

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

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Career Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Career Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Career Center Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2010.

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

Any revisions that alter the total of any fund and object appropriation must be approved by the Board of Education. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2010. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

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

**F. Cash and Investments**

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

During fiscal year 2010, investments were limited to negotiable and nonnegotiable certificates of deposits, federal agency securities, and U.S. Government money market mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Career Center, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$165,801, which includes \$107,988 assigned from other funds.

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

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on an average cost basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

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

<b>Description</b>	<b>Governmental Activities Estimated Lives</b>	<b>Business-Type Activities Estimated Lives</b>
Land improvements	20 years	n/a
Buildings and improvements	20 - 50 years	n/a
Furniture and equipment	10 - 20 years	10 - 20 years
Vehicles	8 years	n/a

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**J. Compensated Absences**

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



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2010, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service (including a minimum of 5 years of service with the Career Center); or 20 years' service at any age were considered.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2010 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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

**K. 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 proprietary funds are reported on the proprietary 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, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bond anticipation notes and capital lease obligations are recognized as liabilities on the fund financial statements when due.

**L. Fund Balance Reserves and Designations**

The Career Center reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepayments, advances, debt service and property tax revenue unavailable for appropriation. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

A designation of fund balance represents a self imposed limitation on the use of available expendable resources by the Board of Education. The designation for capital projects represents monies designated by the Board of Education for possible use for future building construction projects.

**M. Net Assets**

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

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

**N. Prepayments**

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

**O. Estimates**

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

**P. Interfund Activity**

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

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2010.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**3. ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2010, the Career Center has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the Career Center.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to re-measure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the Career Center.

**B. Deficit Fund Balances**

Fund balances at June 30, 2010 included the following individual fund deficits:

<u>Non-major governmental funds</u>	<u>Deficit</u>
Management information systems	\$ 29
Vocational education enhancement	37
Vocational education	28,521

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

**4. DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (State Treasury Asset Reserve of Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

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

**A. Cash on Hand**

At fiscal year end, the Career Center had \$890 in undeposited cash on hand which is included on the financial statements of the Career Center as part of "equity in pooled cash and cash equivalents".

**B. Deposits with Financial Institutions**

At June 30, 2010, the carrying amount of all Career Center deposits was \$6,779,437. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$5,166,249 of the Career Center's bank balance of \$6,904,090 was exposed to custodial risk as discussed below, while \$1,737,841 was covered by the FDIC.

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

**C. Investments**

As of June 30, 2010, the Career Center had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				<u>Greater Than 24 Months</u>
		<u>6 Months Or less</u>	<u>7 to 12 Months</u>	<u>13 to 18 Months</u>	<u>19 to 24 Months</u>	
FHLB	\$ 1,005,470	\$ 504,690				\$500,780
FHLMC – Discount Note	2,998,800	2,998,800				
FNMA – Discount Note	1,999,600	1,999,600				
Negotiable certificates of deposit	5,227,924	2,736,378	\$1,743,850	\$500,542		247,154
U.S. Government money market						
Mutual funds	3,432,660	3,432,660				
	<u>\$14,664,454</u>	<u>\$11,672,128</u>	<u>\$1,743,850</u>	<u>\$500,542</u>		<u>\$747,934</u>

The weighted average maturity of investments is 0.45 years.

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

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

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

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

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Career Center's name. The Career Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Concentration of Credit Risk:** The Career Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Career Center at June 30, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 1,005,470	6.86
FHLMC - Discount Note	2,998,800	20.45
FNMA - Discount Note	1,999,600	13.64
Negotiable certificates of deposit	5,227,924	35.64
U.S. Government money market mutual funds	3,432,660	23.41
	<u>\$14,664,454</u>	<u>100.00</u>

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

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net assets as of June 30, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,779,437
Investments	14,664,454
Cash on hand	890
Total	<u>\$21,444,781</u>
<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$21,190,529
Business-type activities	202,807
Agency funds	51,445
Total	<u>\$21,444,781</u>

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

**5. INTERFUND TRANSACTIONS**

- A. Interfund balances at June 30, 2010 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<b>Receivable fund</b>	<b>Payable fund</b>	<b>Amount</b>
General	Non-major governmental funds	\$ 39,996
General	Non-major business-type activities	122,000
		\$161,996

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, only internal balances between governmental funds and business-type activities funds at June 30, 2010 are reported in the statement of net assets.

- B. Interfund transfers for the year ended June 30, 2010, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	<b>Amount</b>
Adult education fund	\$ 85,000
Non-major governmental funds	625,040
Non-major business-type activities	31,000
Total	\$741,040

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

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, only transfers between governmental funds and business-type activities funds at June 30, 2010 are reported in the statement of activities.

**6. PROPERTY TAXES**

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

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the Career Center. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually.

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

**6. PROPERTY TAXES (Continued)**

If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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 Career Center prior to June 30.

The Career Center receives property taxes from Van Wert County. The County Auditor periodically advances to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$173,876 in the general fund, \$65,843 in the bond retirement fund (a non-major governmental fund) and \$30,439 in the permanent improvement fund (a non-major governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2009 was \$194,470 in the general fund and \$34,356 in the permanent improvement fund (a non-major governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

	<b>2009 Second Half Collections</b>		<b>2010 First Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Agricultural/residential and other real estate	\$ 950,809,680	94.12	\$ 959,576,610	94.77
Public utility personal	51,538,400	5.10	51,718,210	5.11
Tangible personal property	7,897,397	0.78	1,257,740	0.12
<b>Total</b>	<b><u>\$1,010,245,477</u></b>	<b><u>100.00</u></b>	<b><u>\$1,012,552,560</u></b>	<b><u>100.00</u></b>
Tax rate per \$1,000 of assessed valuation	\$3.80		\$4.85	



**VANTAGE CAREER CENTER  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**7. RECEIVABLES**

Receivables at June 30, 2010 consisted of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

<b>Governmental activities:</b>	
Taxes	\$ 4,235,361
Accounts	18
Intergovernmental	15,436,346
Accrued interest	4,749
Total receivables	<u>\$19,676,474</u>

Receivables have been disaggregated on the face of the financial statements. All receivables, except for \$15,384,667 of intergovernmental grants due from the Ohio Schools Facilities Commission (OSFC), are expected to be collected in the subsequent year. The OSFC grant amount will be collected over the life of the construction project.

**8. CAPITAL ASSETS**

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

	<b>Balance 06/30/2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 06/30/2010</b>
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 40,000			\$ 40,000
Construction in progress		\$939,877		939,877
Total capital assets, not being depreciated	40,000	939,877		979,877
<b>Capital assets, being depreciated:</b>				
Land improvements	209,596			209,596
Buildings and improvements	6,077,255			6,077,255
Furniture and equipment	3,618,907	219,930	(\$34,058)	3,804,779
Vehicles	295,987	9,000		304,987
Total capital assets, being depreciated	10,201,745	228,930	(34,058)	10,396,617
<b>Less: accumulated depreciation:</b>				
Land improvements	(177,362)	(6,695)		(184,057)
Building and improvements	(4,000,286)	(121,819)		(4,122,105)
Furniture and equipment	(2,400,122)	(323,235)	33,130	(2,690,227)
Vehicles	(196,112)	(23,590)		(219,702)
Total accumulated depreciation	(6,773,882)	(475,339)	33,130	(7,216,091)
Governmental activities capital assets, net	3,467,863	693,468	(928)	4,160,403
<b>Business-type activities</b>				
<b>Capital assets, being depreciated:</b>				
Furniture and equipment	264,755		(3,400)	261,355
Less: accumulated depreciation	(208,977)	(6,843)	3,400	(212,420)
Total	\$ 55,778	(\$ 6,843)	\$ 0	\$ 48,935

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

**8. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

<b>Instruction:</b>	
Vocational	\$402,357
Adult education	7,512
<b>Support services:</b>	
Pupil	117
Instructional staff	7,789
Administration	8,994
Fiscal	1,466
Operations and maintenance	18,319
Pupil transportation	19,265
Other non-instructional services	9,450
Extracurricular activities	70
Total depreciation expense	<u>\$475,339</u>

Depreciation expense was charged to the business-type activities as follows:

<b><u>Non-major business-type activities:</u></b>	
Food service	<u>\$6,843</u>
Total depreciation expense	<u>\$6,843</u>

**9. CAPITAL LEASES - LESSEE DISCLOSURE**

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

Copier equipment with a net present value of \$366 has not been capitalized since the asset does not meet the Career Center's capitalization threshold. Capital assets consisting of a mailing machine and copier equipment have been capitalized in the amount of \$242,104. This amount represents the fair market value of the copiers at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Accumulated depreciation as of June 30, 2010 was \$128,620, leaving a book value of \$113,484. Principal payments in fiscal year 2010 totaled \$45,335 paid by the permanent improvement fund (a non-major governmental fund) and \$1,389 paid by the adult education fund.

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

**VANTAGE CAREER CENTER  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 67,796
2012	62,481
2013	33,472
2014	1,573
Total minimum lease payments	165,322
Less: amount representing interest	(25,183)
Total	<u>\$140,139</u>

**10. LONG-TERM OBLIGATIONS**

A. During fiscal year 2010, the following activity occurred in long-term obligations:

	<u>Balance Outstanding 06/30/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 06/30/2010</u>	<u>Amounts Due in One Year</u>
<b>Governmental activities:</b>					
Bond anticipation notes		\$12,409,000		\$12,409,000	\$12,409,000
Capital lease obligations	\$146,759	40,104	(\$46,724)	140,139	52,181
Compensated absences	503,438	115,549	(80,019)	538,968	87,764
Total long-term obligations, governmental activities	<u>\$650,197</u>	<u>\$12,564,653</u>	<u>(\$126,743)</u>	<u>\$13,088,107</u>	<u>\$12,548,945</u>

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

**Bond anticipation notes** - On March 10, 2010, the Career Center issued \$12,409,000 in bond anticipation notes at an interest rate of 1.40%. The notes were issued in anticipation of the issuance of bonds for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and improving Career Center buildings and facilities, acquiring, clearing, improving and equipping real estate for school purposes. The notes mature on September 8, 2010. The notes will be repaid by the proceeds of the bonds from the bond retirement fund (see Note 18). As of June 30, 2010, the Career Center had spent \$398,657 of the proceeds from the note issuance.

**B. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the Career Center shall never exceed 9% of the total assessed valuation of the Career Center. The code further provides that un-voted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Career Center. The code additionally states that un-voted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Career Center.

The assessed valuation used in determining the Career Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Career Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$79,484,201 and an un-voted debt margin of \$1,013,848.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**11. EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

**12. RISK MANAGEMENT**

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

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal 2009.

**Group Purchasing Pools**

**Ohio School Boards Association Group Rating Program (GRP)**

The Career Center participates in a group rating program (GRP) for workers' compensation as established under Ohio Revised Code Section 4123.29. The Group Rating Plan was established through the Ohio School Board Association as a group insurance purchasing pool. The GRP is intended to reduce premiums for the participants. The workers' compensation experience of the participating schools is calculated as one experience and a common premium rate is applied to all schools in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to educational entities that can meet the GRP's selection criteria.

Each participant must apply annually. The GRP provides the participants with a centralized program for processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. Each year, the participating schools pay an enrollment fee to the GRP to cover the costs of administering the program.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**12. RISK MANAGEMENT (Continued)**

**Schools of Ohio Risk Sharing Authority**

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

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

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

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

**13. PENSION PLANS**

**A. School Employees Retirement System**

**Plan Description** - The Career Center contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute at an actuarially determined rate. The current Career Center rate is 14 percent of annual covered payroll. A portion of the Career Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**13. PENSION PLANS (Continued)**

The Career Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$130,394, \$94,202 and \$94,887, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

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

**Plan Description** - The Career Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://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 fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The Career Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Career Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$511,657, \$463,640 and \$417,458, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$18,251 made by the Career Center and \$13,036 made by the plan members.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**13. PENSION PLANS (Continued)**

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The Career Center's liability is 6.2 percent of wages paid.

**14. POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

**Plan Description** - The Career Center participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

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

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**14. POSTEMPLOYMENT BENEFITS (Continued)**

The Career Center's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$24,743, \$43,111 and \$43,300, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The Career Center's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$7,754, \$7,772 and \$6,837, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

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

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

**Funding Policy** - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Career Center's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$39,358, \$35,665 and \$32,112, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**15. BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**15. BUDGETARY BASIS OF ACCOUNTING (Continued)**

- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

<b>Net Change in Fund Balance</b>		
	<b>General Fund</b>	<b>Adult Education</b>
Budget basis	\$76,098	(\$ 5,087)
Net adjustment for revenue accruals	(16,272)	
Net adjustment for expenditure accruals	(82,163)	2,190
Net adjustment for other sources/uses	36,616	
Adjustment for encumbrances	48,816	25,700
GAAP basis	\$63,095	\$22,803

**16. STATUTORY RESERVES**

The Career Center is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a GAAP-basis. During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	<b>Textbooks/ Instructional Materials</b>	<b>Capital Acquisition</b>
Set-aside balance as of June 30, 2009	(\$1,380,194)	
Current year set-aside requirement	90,449	\$90,449
Current year offsets		(494,329)
Current Year Qualifying expenditures	(230,352)	(4,256)
Total	(1,520,097)	(408,136)
Balance carried forward to fiscal year 2011	(\$1,520,097)	\$ 0

The Career Center had qualifying expenditures during the fiscal year that reduced the textbooks/instructional materials set aside amount below zero. This amount may be used to reduce the set aside requirement of future fiscal years.

Although the Career Center had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**17. CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**18. SIGNIFICANT SUBSEQUENT EVENTS**

School improvement bonds were issued on August 5, 2010 for the purpose of financing the Career Center's share of the Ohio School Facilities Commission agreement and locally funded initiatives for purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and improving Career Center buildings and facilities, acquiring, clearing, improving and equipping real estate for school purposes.

The bonds consisted of \$17,869,000 in current interest bonds with interest rates ranging from 0.600% to 6.375%. Interest payments on the current interest bonds are due on June 1 and December 1 each year beginning December 1, 2010. The final maturity stated in the issue is December 1, 2037.

The Career Center signed an agreement with the Ohio School Facilities Commission (the "Commission") to participate in the classroom facilities assistance program on March 4, 2010, which was approved by the Commission on March 16, 2010. The total budget for the project is \$23,452,143; the State share is \$16,254,417 and the local share will be \$7,197,726. The Career Center has included a locally funded initiative for the project in the amount of \$696,415.

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
(Passed through Ohio Department of Education)						
Child Nutrition Cluster:						
School Breakfast Program	2009/2010	10.553	\$9,254		\$9,254	
National School Lunch Program	2009/2010	10.555	62,733		62,733	
Non cash Assistance (Food Distribution)				\$7,637		\$7,637
National School Lunch Program	2009/2010	10.555				
Total National School Lunch Program			<u>62,733</u>	<u>7,637</u>	<u>62,733</u>	<u>7,637</u>
Total Child Nutrition Cluster			<u>71,987</u>	<u>7,637</u>	<u>71,987</u>	<u>7,637</u>
Total U.S. Department of Agriculture			<u>71,987</u>	<u>7,637</u>	<u>71,987</u>	<u>7,637</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Direct						
Student Financial Aid Cluster:						
Federal Pell Grant Program (PELL)	2010	84.063	234,624		234,624	
Federal Supplemental Educational Opportunity Grants	2010	84.007	5,000		5,000	
Total Student Financial Aid Cluster			<u>239,624</u>		<u>239,624</u>	
Rural Education Achievement Program	2010	84.358	50,620		50,620	
(Passed through Ohio Department of Education)						
Adult Education - Basic Grant to States	2010	84.002	79,313		91,013	
Adult Education - Basic Grant to States	2009	84.002			5,240	
Total Adult Education - Basic Grants to States			<u>79,313</u>		<u>96,253</u>	
Improving Teacher Quality State Grants	2010	84.367	5,195		5,195	
Career and Technical Education - Basic Grants to States <b>(A)</b>	2010	84.048	31,054		31,054	
Career and Technical Education - Basic Grants to States	2010	84.048	116,004		134,299	
Total Career and Technical Education - Basic Grants to States			<u>147,058</u>		<u>165,353</u>	
Safe and Drug Free School and Communities State Grants	2010	84.186	740		740	
(Passed through Rhodes State College)						
Tech Prep Education	2010	84.243	5,400		5,400	
Total U.S. Department of Education			<u>527,950</u>		<u>563,185</u>	
Total Federal Assistance			<u>\$599,937</u>	<u>\$7,637</u>	<u>\$635,172</u>	<u>\$7,637</u>

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

*panying Notes to the Schedule of Federal Awards Receipts and Expenditures.*

**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

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

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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

**NOTE D - MATCHING REQUIREMENTS**

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



# 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*

Vantage Career Center  
Van Wert County  
818 North Franklin Street  
Van Wert, Ohio 45891

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 Vantage Career Center, Van Wert County, (the Career Center) as of and for the fiscal year ended June 30, 2010, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 22, 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Career Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Career Center's internal control over financial reporting.

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

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

#### Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the Career Center's management in a separate letter dated December 22, 2010.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

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

**Mary Taylor, CPA**  
Auditor of State

December 22, 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 REQUIRED BY OMB CIRCULAR A-133

Vantage Career Center  
Van Wert County  
818 North Franklin Street  
Van Wert, Ohio 45891

To the Board of Education:

#### Compliance

We have audited the compliance of Vantage Career Center, Van Wert County (the Career Center) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Vantage Career Center's major federal programs for the fiscal year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Career Center's major federal 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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Career Center's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Career Center's compliance with those requirements.

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

#### Internal Control Over Compliance

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

**Internal Control Over Compliance  
(Continued)**

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

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

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



**Mary Taylor, CPA**  
Auditor of State

December 22, 2010



**VANTAGE CAREER CENTER  
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Student Financial Aid Cluster – CFDA #84.063 and 84.007 Career and Technical Education – Basic Grants to State – CFDA #84.048
<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 AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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**Mary Taylor, CPA**  
Auditor of State

**VANTAGE CAREER CENTER**

**VAN WERT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 25, 2011**