



Dave Yost • Auditor of State



**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

TechCon Institute Community School  
Montgomery County  
400 Shoup Mill Road  
Dayton, Ohio 45415

To the Board of Directors:

We have audited the accompanying financial statements of the the business-type activities of TechCon Institute Community School, Montgomery County, (the School), as of and for the year ended June 30, 2010, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School'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 financial position of the business-type activities, of TechCon Institute Community School, Montgomery County, as of June 30, 2010, and the changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2011, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

**Dave Yost**  
Auditor of State

March 8, 2011

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

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

**Financial Highlights**

- Key financial highlights for the fiscal year ended June 30, 2010 are as follows:
- In total, net assets were \$248,043 at June 30, 2010.
- The School had operating revenues of \$441,127 and operating expenses of \$696,106. The School also received \$200,374 in federal and state grants and \$223 in interest income. The total change in net assets for the fiscal year was a decrease of \$54,382.

**Using the Basic Financial Statements**

This annual report consists of the management discussion and analysis, the basic financial statements and the notes to those statements. The basic financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets and a Statement of Cash Flows. These statements are organized so the reader can understand the School's financial activities.

**Reporting the School's Financial Activities**

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information about the activities of the School, including all short-term and long-term financial resources and obligations. These documents look at all financial transactions and ask the question, "How did we do financially during fiscal year 2010?" 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 records revenue when earned and expenses when incurred regardless of when cash is received or paid.

These two statements report the School's net assets and changes in those assets. This change in net assets is important because it tells the reader whether, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The statement of cash flows provides information about how the School finances and meets the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.

Table 1 provides a summary of the School's net assets for June 30, 2010 compared to June 30, 2009.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**Table 1  
Net Assets**

	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>Assets:</b>		
Current and Other Assets	\$258,307	\$337,649
Capital Assets, Net	24,844	31,644
<b>Total Assets</b>	<b>283,151</b>	<b>369,293</b>
<b>Liabilities:</b>		
Current Liabilities	35,108	66,868
<b>Total Liabilities</b>	<b>35,108</b>	<b>66,868</b>
<b>Net Assets:</b>		
Invested in Capital Assets	24,844	31,644
Restricted for Special Purposes	96,697	17,309
Unrestricted	126,502	253,472
<b>Total Net Assets</b>	<b>\$248,043</b>	<b>\$302,425</b>

Over time, net assets can serve as a useful indicator of a government's financial position. Net assets decreased by \$54,382 during fiscal year 2010. Cash and cash equivalents and unrestricted net assets decreased due mostly to the decrease in state foundation revenue due to a decrease in the number of students during fiscal year 2010.

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

**Table 2  
Changes in Net Assets**

	<b>Fiscal Year Ended June 30, 2010</b>	<b>Fiscal Year Ended June 30, 2009</b>
<b>Operating Revenues</b>		
State Foundation	\$432,523	\$542,394
Other Operating Revenues	8,604	13,531
<b>Total Operating Revenues</b>	<b>441,127</b>	<b>555,925</b>
<b>Non- Operating Revenues</b>		
Federal and State Grants	200,374	32,750
Interest	223	2,255
<b>Total Non-Operating Revenues</b>	<b>200,597</b>	<b>35,005</b>
<b>Total Revenues</b>	<b>641,724</b>	<b>590,930</b>
<b>Operating Expenses:</b>		
Salaries	271,829	250,018
Fringe Benefits	60,512	66,398
Purchased Services	198,320	144,416
Materials and Supplies	134,575	77,258
Depreciation	6,800	6,278
Other	24,070	24,763
<b>Total Operating Expenses</b>	<b>696,106</b>	<b>569,131</b>
Increase/Decrease in Net Assets	(54,382)	21,799
Net Assets Beginning of Year	302,425	280,626
<b>Net Assets End of Year</b>	<b>\$248,043</b>	<b>\$302,425</b>



**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

Community schools receive no support from local taxes. The State Foundation Program and State Grants are, by far, the primary support for the School's students. State Foundation payments accounted for 67 percent of revenues during fiscal year 2010, and federal and state grants accounted for approximately 31 percent of all revenues. State Foundation revenue decreased during fiscal year 2010 due to a decrease in the number of students. Purchased services and materials and supplies expenses increased due to the relocation to a new building and expenses related to getting it ready to be used.

**Capital Assets**

At June 30, 2010, the School had \$24,844 invested in machinery and equipment compared to \$31,644 at June 30, 2009. The decrease in capital assets was due to the depreciation on assets. The School had no capital asset additions for fiscal year 2010.

For more information on capital assets, see Note 5 of the Basic Financial Statements.

**Current Financial Issues and Concerns**

The School is sponsored by the Lucas County Educational Service Center. The School relies on the State Foundation funds as well as state and federal grants to provide the monies necessary to begin and carry on the activities of the School. The administration considered many factors when setting TechCon's 2011 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined based on the student count and the foundation allowance per pupil. Staffing contracts are adjusted per student enrollment and expenditures are budgeted conservatively. The school strives to provide a quality education with the current budget.

**Contacting the School's Financial Management**

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact Tracy Jarvis, Treasurer, TechCon Institute Community School, 400 Shoup Mill Road, Dayton, Ohio 45415.

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**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**Assets:**

**Current Assets:**

Cash and Cash Equivalents	\$136,873
Intergovernmental Receivable	121,434
Total Current Assets	<u>258,307</u>

**Non-Current Assets:**

Capital Assets, Net	24,844
Total Assets	<u>283,151</u>

**Liabilities:**

**Current Liabilities:**

Accounts Payable	210
Accrued Wages and Benefits Payable	16,517
Compensated Absences Payable	1,462
Intergovernmental Payable	16,919
Total Current Liabilities	<u>35,108</u>

**Net Assets:**

Invested in Capital Assets	24,844
Restricted for Special Purposes	96,697
Unrestricted	126,502
Total Net Assets	<u><u>\$248,043</u></u>

*See accompanying notes to the basic financial statements.*

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

<b>Operating Revenues:</b>	
State Foundation	\$432,523
Other Operating Revenues	8,604
Total Operating Revenues	<u>441,127</u>
<b>Operating Expenses:</b>	
Salaries	271,829
Fringe Benefits	60,512
Purchased Services	198,320
Materials and Supplies	134,575
Depreciation	6,800
Other	24,070
Total Operating Expenses	<u>696,106</u>
Operating Loss	<u>(254,979)</u>
<b>Non-Operating Revenues:</b>	
Federal Grants	197,374
State Grants	3,000
Interest	223
Total Non-Operating Revenues	<u>200,597</u>
Change in Net Assets	(54,382)
Net Assets Beginning of Year	<u>302,425</u>
Net Assets End of Year	<u><u>\$248,043</u></u>

*See accompanying notes to the basic financial statements.*

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**Increase (Decrease) in Cash and Cash Equivalents:**

**Cash Flows from Operating Activities:**

Cash Received from State Foundation	\$412,229
Cash Received from Other Operating Revenues	8,604
Cash Payments for Employee Services and Benefits	(360,165)
Cash Payments for Goods and Services	(333,078)
Cash Payments for Other Operating Expenses	(24,680)
Net Cash Provided by Operating Activities	(297,090)

**Cash Flows from Noncapital Financing Activities:**

Federal Grants	101,003
State Grants	3,000
Net Cash Provided by Noncapital Financing Activities	104,003

**Cash Flows from Investing Activities**

Interest	223
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Net Decrease in Cash and Cash Equivalents	(192,864)
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Cash and Cash Equivalents Beginning of Year	329,737
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Cash and Cash Equivalents End of Year	136,873
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**Reconciliation of Operating Income to Net Cash**

**Used In Operating Activities:**

Operating Loss	(254,979)
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**Adjustments to Reconcile Operating Loss to**

**Net Cash Used In Operating Activities:**

Depreciation	6,800
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**Changes in Assets and Liabilities:**

Increase in Intergovernmental Receivable	(17,151)
Decrease in Accounts Payable	(1,582)
Decrease in Accrued Wages and Benefits	(1,515)
Increase in Compensated Absences Payable	183
Decrease in Intergovernmental Payable	(28,846)
Net Cash Provided By Operating Activities	(\$297,090)

*See accompanying notes to the basic financial statements.*

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**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY**

TechCon Institute Community School (the "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 1702 and 3314 to serve as an Information Technology Community School serving at-risk high school students. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School's mission is to help students succeed by educating and graduating students, along with providing training in the field of Information Technology in such areas as Networking, EDI Communications, Application Development, Database Management and Computer Maintenance and Repair. Both the academics and technical areas use innovative methods of teaching, catering to students who are looking for different methods of teaching than are used in traditional schools. The School offers flexible schedules, computer-based academic curriculum, individualized proficiency preparation and vocational training from certified teachers.

The School began operations on September 1, 2004 under contract with the Sponsor for a period of five years ending June 30, 2009. The contract was renewed for additional one year terms ending on June 30, 2012. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration. The Governing Authority is responsible for the operations of the School.

The School operates under the direction of a Board of Directors, consisting of not less than five members chosen from leaders from the broad range of disciplines representing professionals, community leaders and parents. The Directors serve a two-year term with no limit on the number of terms they may serve consecutively. Vacancies on the Board are filled by a vote of the Board from a slate of candidates prepared by the Nominating Committee. The Board of Directors are responsible for carrying out the provisions of the contract with the Sponsor, which include but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualification of teachers. The Board appoints an Executive Director by majority vote who is the Chief Executive Officer of TechCon Institute and responsible for operating the day-to-day business affairs of the School, subject to the supervision of the Board.

The Board of Directors controls the School's one instructional/support facility which was staffed by four certified teachers, two classified employees and three administrators who provided instructional services to 60 students during fiscal year 2010.

The School is associated with the Metropolitan Dayton Educational Cooperative Association (MDECA), which is defined as a jointly governed organization. It is a computer consortium of area schools sharing computer resources (See Note 12). The School is also associated with the Ohio Association of School Board Officials (OASBO) Worker's Compensation Group Rating Plan, an insurance purchasing pool. (See Note 13).

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of TechCon Institute Community School have been prepared in conformity with generally accepted accounting principles 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 School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The School has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The most significant of the School's accounting policies are described below.

**A. Basis of Presentation**

The School's basic financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

**B. Measurement Focus**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's basic financial statements are prepared using the accrual basis of accounting.

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.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Expenses are recognized at the time they are incurred.



**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

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

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the School's contract with its Sponsor. The contract between the School and its Sponsor requires the School to prepare a five year projection in accordance with Ohio Revised Code Section 5705.391.

**E. Cash and Cash Equivalents**

All monies received by the School are maintained in a demand deposit account or invested. For presentation on the financial statements and in the notes to the basic financial statements, investments with an original maturity of three months or less when purchased are deemed cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

During the year, the School invested in STAR Ohio, an investment pool managed by the State Treasurer's Office. STAR Ohio allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2010.

**F. Capital Assets and Depreciation**

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The School maintains a capitalization threshold of \$1,000. The School does not have any infrastructure. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Machinery and Equipment	6-8 years

**G. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the School's \$96,697 in restricted net assets, \$0 was restricted by enabling legislation.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

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

**H. Compensated Absences**

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

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

All payables, accrued liabilities and long-term obligations are reported in the statement of net assets.

**J. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities. For the School, these revenues are payments from the State Foundation Program and miscellaneous operating revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the School. All revenues and expenses not meeting these definitions are reported as non-operating.

**K. Intergovernmental Revenues**

The School currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

The amount of these grants is directly related to the number of students enrolled in the School. The Ohio Department of Education conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the schools are reporting accurate enrollment data to the State, upon which state foundation funding is calculated.

The School also participates in the State EMIS program, and was awarded and received \$3,000 from this program during fiscal year 2010. The School also participated in several federal grant programs during fiscal year 2010. Under these programs, the School was awarded \$165,603 and received \$64,843 of this amount during the fiscal year ended June 30, 2010.

**L. Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles 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.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**3. DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2010, the book balance of the School's deposits was \$25,031 and the bank balance was \$35,372, all of which was covered by depository insurance of the Federal Deposit Insurance Corporation (FDIC).

**B. Investments**

At June 30, 2010, the School had \$111,842 invested in STAR Ohio. STAR Ohio is an investment pool and has various interest rates.

**Concentration of Credit Risk:** The School places no limit on the amount it may invest in any one issuer. 100% of the School's investments at June 30, 2010, were in STAR Ohio.

**Credit Risk:** The School's investment in STAR Ohio was rated AAAM by Standard & Poor's at June 30, 2010.

**4. RECEIVABLES**

Receivables at June 30, 2010, consisted of intergovernmental receivables. All receivables are considered collectible in full and are expected to be received within one year. A summary of intergovernmental receivables follows:

Description	Amount
STRS Overpayment	\$ 8,985
SERS Overpayment	8,955
Title I	80,327
Title II-A	5,560
Title II-D	303
IDEA-B	15,990
Safe and Drug Free Schools	1,314
	\$121,434

**5. CAPITAL ASSETS**

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

	Balance 7/01/09	Additions	Deductions	Balance 6/30/10
Machinery and Equipment	\$47,766			\$47,766
<b>Less Accumulated Depreciation:</b>				
Machinery and Equipment	(16,122)	(\$6,800)		(22,922)
Capital Assets, Net	\$31,644	(\$6,800)	\$0	\$24,844

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**6. RISK MANAGEMENT**

**A. Property and Liability**

The School 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 contracted personnel; and natural disasters. During fiscal year 2010, the School contracted with Indiana Insurance for property insurance and general liability insurance.

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

**B. Workers' Compensation**

For fiscal year 2010, the School participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the School by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to entities that can meet the GRP's selection criteria. The firm of Gates McDonald and Company provides administrative, cost control, and actuarial services to the GRP.

**7. PURCHASED SERVICES**

For the fiscal year ended June 30, 2010, purchased services were as follows:

Professional and Technical Services	\$49,255
Property Services	82,535
Travel and Meetings	2,641
Communications	22,232
Craft and Trade Services	6,160
Utilities	21,085
Tuition	1,372
Other Purchased Services	13,040
Total Purchased Services	<u>\$198,320</u>

**8. OPERATING LEASES**

On August 1, 2009, the School entered into a 48 month lease for classroom space at 400 Shoup Mill Road. For the first year of the lease, the total rent is \$36,000. For the remainder of the lease term, the rent is \$4,500 a month. The lease runs through July 31, 2013.

On July 14, 2008, the School entered into a 12 month lease for office space at 501 E. Main Street. On July 14, 2009, the lease was renewed on a monthly basis at a total cost of \$945 per month.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**9. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salary and the School was required to contribute at an actuarially determined rate of 14 percent of annual covered payroll. A portion of the School'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. For fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board.

The School's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$11,137, \$11,940 and \$2,034, respectively. 100 percent has been contributed for all three years.

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

The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a Comprehensive Annual Financial Report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling toll free 1-888-227-7877, 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 member contributions and earned interest matched by STRS Ohio funds times 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 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**9. DEFINED BENEFIT PENSION PLANS (Continued)**

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

For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations, the same portion that was used to fund pension obligations for fiscal year 2009. 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 School's required contribution for pension obligations to the DB Plan for the fiscal years ended June 30, 2010, 2009 and 2008, were \$24,554, \$22,159 and \$17,687, respectively; 75 percent has been contributed for fiscal year 2010 and 100 percent has been contributed for fiscal years 2009 and 2008. The School did not have any employees who participated in the DC or Combined Plans for the fiscal year ended June 30, 2010.

**10. POSTEMPLOYMENT BENEFITS**

The School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2010, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund, the same percentage that was used for fiscal year 2009. For the School, this amount equaled \$1,889, \$1,705, and \$1,361 for the fiscal years ended June 30, 2010, 2009 and 2008. 75 percent has been contributed for 2010 and 100 percent has been contributed for 2009 and 2008.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2009, (the latest information available) the balance in the Fund was \$2.7 billion. For the fiscal year ended June 30, 2009, net health care costs paid by STRS Ohio were \$298,110,000 and STRS Ohio had 129,659 eligible benefit recipients.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**10. POSTEMPLOYMENT BENEFITS (Continued)**

SERS administers two postemployment benefit plans – the Medicare Part B Plan and the Health Care Plan. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. 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 2010 was \$96.40; SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76%. The School's required contributions for the fiscal years ended June 30, 2010, 2009, and 2008 were \$662, \$985, and \$147; 100 percent has been contributed for all three fiscal years.

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors including HMO's, PPO's, 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 ORC provides statutory authority to SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans. The Healthcare Fund was established under, and is administered in accordance with , Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the remainder of the employer's 14 percent contribution is allocated to the Health Care Fund. For the fiscal year ended June 30, 2010, the health care allocation was .46 percent of covered payroll.

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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For the School, the amount required to be contributed to fund health care benefits, including the surcharge, during the 2010, 2009 and 2008 fiscal years equaled \$1,717, \$6,911, and \$1,622; 23 percent has been contributed for fiscal year 2010 and 100 percent has been contributed for fiscal year 2009 and 2008.

The SERS Retirement Board establishes rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health care and Medicare B Plans are included in its stand-alone report. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853, or by visiting the SERS website at [ohsers.org](http://ohsers.org) under forms and publications.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**11. OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation, personal leave and sick leave benefits are derived from employee contracts. The Administrator, teachers and aides earn five sick days and three personal days during a contract year. The Administrator also earns two weeks of vacation during a contract year. Sick, personal and vacation leave may not be carried over into a succeeding contract year.

**B. Insurance Benefits**

The School provides health and life insurance to all employees through Anthem.

**12. JOINTLY GOVERNED ORGANIZATION**

The School is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA) which is a computer consortium. MDECA is an association of public school districts within the boundaries of Montgomery, Miami and Darke Counties and the Cities of Dayton, Troy and Greenville. 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 MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts except the Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. The School made payments of \$3,910 to MDECA during fiscal year 2010. Financial information can be obtained from Jerry Woodyard, who serves as director, at 225 Linwood Street, Dayton, Ohio 45405.

**13. INSURANCE PURCHASING POOL**

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

**14. CONTINGENCIES**

**A. Grants**

The School received financial assistance from state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2010.

**B. State Funding**

The Ohio Department of Education conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State Foundation funding is calculated.



**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

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

**15. RELATED PARTIES**

During the fiscal year, the School paid \$65,124 to Victor Maddox (ATTA Construction), brother of the Director Demetrius Maddox, for renovations at the School site.

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# Dave Yost • Auditor of State

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

TechCon Institute Community School  
Montgomery County  
400 Shoup Mill Road  
Dayton, Ohio 45415

To the Board of Directors:

We have audited the financial statements of the business-type activities of Techcon Institute Community School, Montgomery County, (the School) as of and for the year ended June 30, 2010, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-001 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the School'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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-002.

We also noted certain matters not requiring inclusion in this report that we reported to the School's management in a separate letter dated March 8, 2011.

The School's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the School's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, Board of Directors, Lucas County Educational Service Center (the Sponsor), Midwest Management Resources (the Management Company), and others within the School. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

March 8, 2011

TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS  
JUNE 30, 2010

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

FINDING NUMBER 2010-001

**MATERIAL WEAKNESS**

Governmental Accounting Standards Board Statement 33 paragraph 21 states recipients should recognize receivables (or a decrease in liabilities) and revenues (net of estimated uncollectible amounts), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should be reported as advances by the provider and as deferred revenues by recipients, except as indicated in paragraph 22 for recipients of certain resources transmitted in advance.

Governmental Accounting Standards Board Statement 33 paragraph 24 states sometimes a provider in a government-mandated or voluntary non-exchange transaction does not specify time requirements. When that is the case, the entire award should be recognized as a liability and an expense by the provider, and as a receivable and a revenue (net of estimated uncollectible amounts) by the recipients, in the period when all applicable eligibility requirements are met (applicable period). When the provider is a *government* (including the federal government), the applicable period for both the provider and the recipients is the *provider's* fiscal year and begins on the first day of that year (when, for example, the relevant appropriation becomes effective). The entire award should be recognized at that time. However, if a provider government has a biennial budgetary process, each year of the biennium should be considered a separate applicable period. In those circumstances, the provider and the recipients should allocate one-half of the resources appropriated for the biennium to each applicable period, unless the provider specifies a different allocation.

The following variances were noted in the intergovernmental receivable:

- The School failed to properly include the end of year grant carryover approved by the Ohio Department of Education and deduct the grant reallocation as part of the intergovernmental receivable resulting in an understatement in the amount of \$62,403;
- The School failed to properly calculate the ARRA receivable based on the above guidance resulting in an understatement in the amount of \$33,211

This resulted in the total understatement of intergovernmental receivables in the amount of \$95,614, which represents 51%, 63% and 18% of total assets, net assets, and revenues, respectively. The accompanying financial statements include the adjustments noted above.

The School should implement procedures to verify that all factors of non-exchange transactions are considered to properly calculate the School's accrued assets and related revenues.

**Official's Response:**

Issue will be corrected June 30, 2011.

**FINDING NUMBER 2010-002**

**NONCOMPLIANCE**

**Ohio Rev. Code Section 3314.03(A)(11)(e)** requires the School to comply with Chapter 102 (Public Officer's Ethics) and section 2921.42 (having an unlawful interest in a public contract) of the Revised Code. Additionally, the **Ohio Ethics Commission Advisory Memo No. 2003-01** requires all members of the governing board, officers and certain employees of a community School to be bound by the provisions of Ohio Rev. Code Chapter 102 and Sections 2921.42 and 2921.43 pursuant to the terms of the contract between the Community School and the Sponsor District. Ohio Ethics Law and related statutes prohibit public officials and employees from using their official positions for their own personal benefit, for the benefit of their family member or business associates, or where there is an otherwise a conflict of interest.

Contrary to the aforementioned requirements, the Business Manager, Linda Davis approved several invoices in fiscal year 2010 for ATTA Construction- Victor Maddox, who is the brother of the Business Manager.

Policies and procedures should be developed and implemented to verify that the Board members and Management disclose all their conflicts of interest. Failure to do so could result in Board members or Management approving contracts that are in the best interest of the related party and not the School. Additionally, the School should consider updating its community school contract with the Sponsor, Lucas County ESC to incorporate the changes in Ohio Rev. Code Section 3314.03(A)(11)(e).

A referral letter will be made to the Ohio Ethics Commission.

**Official's Response:**

Issue will be corrected June 30, 2011.

**TECHCON INSTITUTE COMMUNITY SCHOOL  
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Ohio Rev. Code Section 3314.03(A)(11)(e) and Ohio Ethics Commission Advisory Opinion 2003-001	No	Repeated as Finding 2010-002
2009-002	Ohio Rev. Code Section 3314.03(A)(6)(b) and Article II Section R of the School's Contract for Start-up Ohio Community School	Yes	

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# Dave Yost • Auditor of State

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

TechCon Institute Community School  
Montgomery County  
400 Shoup Mill Road  
Dayton, Ohio 45415

To the Board of Directors:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on August 1, 2009.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

3. We read the policy, noting it did not include the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A procedure for reporting prohibited incidents;
  - (2) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - (3) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
  - (4) A procedure for documenting any prohibited incident that is reported;
  - (5) A procedure for responding to and investigating any reported incident;
  - (6) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
  - (7) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

This report is intended solely for the information and use of the Board, Lucas County Educational Service Center (the Sponsor), and Midwest Management Resources (the Management Company) and is not intended to be and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

March 8, 2011



# Dave Yost • Auditor of State

TECHCON INSTITUTE COMMUNITY SCHOOL

MONTGOMERY 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  
MAY 5, 2011