



Dave Yost • Auditor of State

**COSHOCTON COUNTY CAREER CENTER
COSHOCTON COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Coshocton County Career Center
Coshocton County
23640 Airport Road
Coshocton, Ohio 43812

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major general fund and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio (the Career Center), as of and for the year ended June 30, 2011, which collectively comprise the Career Center's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Career Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major general fund and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 3, during fiscal year 2011, the Career Center adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2012, on our consideration of the Career Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

December 18, 2012

Coshocton County Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

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

Financial Highlights

Key financial highlights for 2011 are as follows:

- General revenues accounted for \$3,524,863 in revenue or 88.7 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$450,436 or 11.3 percent of total revenues of \$3,975,299.
- Total program expenses were \$4,293,140.
- In total, net assets decreased \$317,841.
- Outstanding debt increased from \$186,400 to \$378,547 during 2011.

Using this Annual Report

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

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 nonmajor funds presented in total in one column. In the case of the Coshocton County Career Center, the general fund is by far the most significant fund.

Coshocton County Career Center
Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2011

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 fiscal year 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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 which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, Governmental Activities include the Career Center's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and non instructional services, ie, food service operations.

Reporting the Career Center's Most Significant Funds

Fund Financial Statements

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

Governmental Funds - Most of the Career Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at 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.

Coshocton County Career Center
Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2011

Proprietary Fund – The Career Center maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Career Center's various functions. The Career Center uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements. The proprietary fund financial statements begin on page 17.

Reporting the Career Center's Fiduciary Responsibilities

The Career Center is the trustee, or fiduciary, for some of its scholarship programs. This activity is presented as a private purpose trust fund. The Career Center also 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. The Career Center's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 20 and 21. 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.

The Career Center as a Whole

Recall the Statement of Net Assets provides the perspective of the Career Center as a whole.

Table 1 provides a summary of the Career Center's net assets for 2011 compared to 2010:

(Table 1)
Net Assets
Governmental Activities

| | 2011 | Restated 2010 |
|--------------------------|---------------------|---------------------|
| Assets | | |
| Current and Other Assets | \$ 2,721,677 | \$ 2,617,033 |
| Capital Assets | 950,262 | 989,952 |
| <i>Total Assets</i> | <i>3,671,939</i> | <i>3,606,985</i> |
| Liabilities | | |
| Long-Term Liabilities | 687,090 | 513,581 |
| Other Liabilities | 1,846,310 | 1,637,024 |
| <i>Total Liabilities</i> | <i>2,533,400</i> | <i>2,150,605</i> |
| Net Assets | | |
| Invested in Capital | | |
| Assets Net of Debt | 827,397 | 813,662 |
| Restricted | 89,963 | 104,111 |
| Unrestricted | 221,179 | 538,607 |
| <i>Total Net Assets</i> | <i>\$ 1,138,539</i> | <i>\$ 1,456,380</i> |

Coshocton County Career Center
Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2011

Total net assets decreased by \$317,841. Increases in cash and taxes receivable can account for the \$104,644 increase in current and other assets. A decrease of \$39,690 in total capital assets reflects depreciation exceeding additional purchases. Total liabilities increased by \$382,795 mainly due to new HB264 debt of \$247,672.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010. The Career Center has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons. This table presents two fiscal years in side-by-side comparison. This will enable the reader to draw further conclusions about the Career Center's financial status and possibly project future problems.

(Table 2)
Change in Net Assets
Governmental Activities

| | 2011 | 2010 * |
|---|---------------------|---------------------|
| Revenues | | |
| <i>Program Revenues</i> | | |
| Charges for Services | \$ 66,571 | \$ 87,816 |
| Operating Grants | 383,865 | 323,963 |
| Capital Grants and Contributions | 0 | 2,500 |
| <i>General Revenue</i> | | |
| Property Taxes | 1,276,080 | 1,266,663 |
| Grants and Entitlements | 2,235,962 | 2,249,237 |
| Other | 12,821 | 26,619 |
| <i>Total Revenues</i> | 3,975,299 | 3,956,798 |
| <i>Program Expenses</i> | | |
| Instruction | 2,380,574 | 2,296,822 |
| Support Services | 1,767,602 | 1,409,824 |
| Operation of Non-Instructional Services | 117,361 | 115,902 |
| Extracurricular Activities | 17,857 | 17,175 |
| Interest and Fiscal Charges | 9,746 | 8,767 |
| <i>Total Program Expenses</i> | 4,293,140 | 3,848,490 |
| <i>Change in Net Assets</i> | (317,841) | 108,308 |
| <i>Net Assets at Beginning of Year</i> | 1,456,380 | 1,350,322 |
| <i>Net Assets at End of Year</i> | \$ 1,138,539 | \$ 1,458,630 |

* 2010 was not restated for changes in fund structure noted in Note 4. These activities are deemed insignificant and would not impact the entity-wide analysis.

The \$357,778 increase in support services expenses is directly related to expenses incurred as part of the Career Center's HB 264 energy conservation project in fiscal year 2011.

Coshocton County Career Center
Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2011

Governmental Activities

Several revenue sources fund the Career Center's governmental activities with intergovernmental revenue in the form of unrestricted grants and entitlements being the largest contributor. Intergovernmental revenue generated 2,619,827 in 2011. Property tax levies, which generated \$1,276,080, are also a large revenue generator. With the combination of taxes and intergovernmental funding over 98 percent of expenses in governmental activities, the Career Center monitors both of these revenue sources very closely for fluctuations.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

(Table 3)
Total and Net Cost of Program Services
Governmental Activities

| | Total Cost of Service 2011 | Total Cost of Service 2010 | Net Cost of Service 2011 | Net Cost of Service 2010 |
|---|----------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Instruction | \$ 2,380,574 | \$ 2,296,822 | \$(2,060,227) | \$(2,028,228) |
| Support Services: | | | | |
| Pupil and Instructional Staff | 389,404 | 423,146 | (387,129) | (417,846) |
| Board of Education, Administration | | | | |
| Fiscal, Business and Central | 587,009 | 518,541 | (582,009) | (515,541) |
| Operation and Maintenance of Plant | 788,077 | 464,865 | (779,889) | (454,590) |
| Pupil Transportation | 3,112 | 3,272 | (3,112) | (2,796) |
| Operation of Non-Instructional Services | 117,361 | 115,902 | (2,735) | 10,732 |
| Extracurricular Activities | 17,857 | 17,175 | (17,857) | (17,175) |
| Interest and Fiscal Charges | 9,746 | 8,767 | (9,746) | (8,767) |
| Total | <u>\$ 4,293,140</u> | <u>\$ 3,848,490</u> | <u>\$(3,842,704)</u> | <u>\$(3,434,211)</u> |

Instruction and student support services comprise 64.5 percent of governmental program expenses. Other support services such as board of education, administration, fiscal, business and central were 13.7 percent of governmental program expenses. Fiscal expenses include payments to the County Auditor for administrative fees and other administrative services provided to the Career Center. Interest and fiscal charges were .2 percent. Interest expense was attributable to the outstanding energy conservation note and installment loan. Pupil transportation and the operation and maintenance of facilities accounts for 18.4 percent of governmental program expenses. Extracurricular activities and operation of non-instructional services, consisting primarily of food service operations, comprises 3.1 percent of governmental program expenses.

The dependence upon tax revenues and general revenue entitlements from the State for governmental activities is apparent. Program revenues fund 10.5 percent of program expenses. Program revenues include charges for services and grants and contributions that are program specific. The community is the second largest area of support for the Career Center students.

Coshocton County Career Center
Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2011

The Career Center's Funds

Information about the Career Center's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$4,236,211 and expenditures of \$4,019,886. The net increase in governmental fund balance for the year was \$216,325. The general fund balance increased \$230,390. This increase can be attributed to an increase in tax revenue and operating grants.

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.

For the general fund, the final budget basis revenue (exclusive of other financing sources) was \$3,550,587 representing a \$34,013 decrease from the original budget estimate of \$3,584,600. Final appropriations (exclusive of other financing uses) of \$3,449,301 were lower than original budget appropriations of \$3,449,943 by \$642.

Final budget basis revenue (exclusive of other financing sources) of \$3,550,587 was \$71,781 lower than actual revenue (exclusive of other financing sources) of \$3,622,368. General Fund actual disbursements (exclusive of other financing uses) were \$3,371,820. This amount was \$77,481 below the final budgeted amount of \$3,449,301. Primarily, actual disbursements in the area of vocational instruction were lower than final budgeted amounts.

During the course of fiscal year 2011, modifications were made to the general fund budget. The Career Center uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the Career Center had \$950,262 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. See Note 9 for additional details. Table 4 shows fiscal year 2011 balances compared with 2010.

(Table 4)
Capital Assets at June 30
Governmental Activities

| | 2011 | 2010 |
|----------------------------|------------|------------|
| Land | \$ 28,429 | \$ 28,429 |
| Land Improvements | 1,723 | 1,953 |
| Buildings and Improvements | 767,989 | 830,766 |
| Furniture and Equipment | 133,880 | 126,460 |
| Vehicles | 18,241 | 2,344 |
| Totals | \$ 950,262 | \$ 989,952 |

Coshocton County Career Center
Management's Discussion and Analysis (Continued)
For the Fiscal Year Ended June 30, 2011

All capital assets, except land, are reported net of depreciation. The \$39,690 decrease in capital assets was attributable to depreciation expense and net disposals exceeding additional purchases.

Debt

At June 30, 2011, the Career Center had \$378,547 in outstanding debt with \$74,231 due within one year. See Note 14 for additional details. Table 5 summarizes bonds outstanding.

(Table 5)
Outstanding Debt, at June 30

| | Governmental 2011 | Governmental 2010 |
|------------------|----------------------|----------------------|
| Installment Loan | \$ 35,875 | \$ 43,900 |
| H.B. 264 Loan | 95,000 | 142,500 |
| H.B. 264 Loan | 247,672 | 0 |
| Total | \$ 378,547 | \$ 186,400 |

Current Issues

The Coshocton County Career Center anticipates stable enrollment over the next several years. At this time, no additional money is provided through the school funding process for increased enrollment. The Career Center will continue to investigate the development of new career technical programs. FY11 was the last school year for our Business Careers program. One new program, Early Childhood Education, will be opened in FY12.

In FY11, the District was approved for a HB264 project in the amount of \$275,194. The proceeds of this note will be used for the purpose of energy conservation, in anticipation of the energy cost savings to be realized. The district will pay off the note beginning in FY12 and ending FY26.

The five-year forecast projects a carryover in the general fund for the next two years. Overall career-technical education funding to schools is flat-funded. At this time, all JVSD's would be provided the same level of funding as was provided in FY11. It is difficult to predict what Career Center funding will look like until the final method for funding JVSD's is determined.

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Career Center's finances and to show the Career Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tamara Hess, Treasurer of Coshocton County Career Center, 23640 Airport Road, Coshocton, OH 43812.

Coshocton County Career Center

Statement of Net Assets

June 30, 2011

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,018,940 |
| Cash and Cash Equivalents With Fiscal Agent | 293,155 |
| Receivables: | |
| Taxes | 1,364,131 |
| Accounts | 204 |
| Intergovernmental | 19,750 |
| Inventory Held For Resale | 9,008 |
| Materials and Supplies Inventory | 16,489 |
| Nondepreciable Capital Assets | 28,429 |
| Depreciable Capital Assets, Net | <u>921,833</u> |
| <i>Total Assets</i> | <u>3,671,939</u> |
| Liabilities | |
| Accounts Payable | 21,682 |
| Accrued Wages and Benefits | 397,684 |
| Intergovernmental Payable | 74,978 |
| Deferred Revenue | 1,232,064 |
| Accrued Vacation Leave Payable | 19,474 |
| Matured Compensated Absences Payable | 17,197 |
| Accrued Interest Payable | 2,348 |
| Claims Payable | 80,883 |
| Long Term Liabilities: | |
| Due Within One Year | 80,318 |
| Due in More Than One Year | <u>606,772</u> |
| <i>Total Liabilities</i> | <u>2,533,400</u> |
| Net Assets | |
| Invested in Capital Assets, Net of Related Debt | 827,397 |
| Restricted for: | |
| Capital Projects | 8,000 |
| Debt Service | 64,403 |
| Other Purposes | 17,560 |
| Unrestricted | <u>221,179</u> |
| <i>Total Net Assets</i> | <u>\$ 1,138,539</u> |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2011

| | Expenses | Program Revenues | | Net (Expense) |
|---|---------------------|--------------------------------------|--|---|
| | | Charges for Services and Sales | Operating Grants and Contributions | Revenue and Changes in Net Assets |
| | | | | Governmental Activities |
| Governmental Activities | | | | |
| Instruction: | | | | |
| Regular | \$ 631,829 | \$ 0 | \$ 0 | \$ (631,829) |
| Special | 98,735 | 0 | 94,625 | (4,110) |
| Vocational | 1,650,010 | 25,740 | 199,982 | (1,424,288) |
| Support Services: | | | | |
| Pupils | 192,690 | 0 | 0 | (192,690) |
| Instructional Staff | 196,714 | 0 | 2,275 | (194,439) |
| Board of Education | 52,052 | 0 | 0 | (52,052) |
| Administration | 252,426 | 0 | 0 | (252,426) |
| Fiscal | 204,858 | 0 | 5,000 | (199,858) |
| Business | 58,972 | 0 | 0 | (58,972) |
| Operation and Maintenance of Plant | 788,077 | 8,188 | 0 | (779,889) |
| Pupil Transportation | 3,112 | 0 | 0 | (3,112) |
| Central | 18,701 | 0 | 0 | (18,701) |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 117,361 | 32,643 | 81,983 | (2,735) |
| Extracurricular Activities | 17,857 | 0 | 0 | (17,857) |
| Interest and Fiscal Charges | 9,746 | 0 | 0 | (9,746) |
| Total Governmental Activities | \$ 4,293,140 | \$ 66,571 | \$ 383,865 | (3,842,704) |
| General Revenues | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | | | | 1,222,104 |
| Debt Service | | | | 53,976 |
| Grants and Entitlements not Restricted to Specific Programs | | | | 2,235,962 |
| Investment Earnings | | | | 3,446 |
| Miscellaneous | | | | 9,375 |
| Total General Revenues | | | | 3,524,863 |
| Change in Net Assets | | | | (317,841) |
| Net Assets Beginning of Year (Restated, See Note 4) | | | | 1,456,380 |
| Net Assets End of Year | | | | \$ 1,138,539 |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Balance Sheet
Governmental Funds
June 30, 2011

| | General | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 926,290 | \$ 92,650 | \$ 1,018,940 |
| Receivables: | | | |
| Taxes | 1,310,450 | 53,681 | 1,364,131 |
| Accounts | 204 | 0 | 204 |
| Intergovernmental | 0 | 19,750 | 19,750 |
| Inventory Held For Resale | 0 | 9,008 | 9,008 |
| Materials and Supplies Inventory | 16,489 | 0 | 16,489 |
| <i>Total Assets</i> | <u>\$ 2,253,433</u> | <u>\$ 175,089</u> | <u>\$ 2,428,522</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$ 20,102 | \$ 1,580 | \$ 21,682 |
| Accrued Wages and Benefits | 375,120 | 22,564 | 397,684 |
| Matured Compensated Absences Payable | 17,197 | 0 | 17,197 |
| Intergovernmental Payable | 70,014 | 4,964 | 74,978 |
| Deferred Revenue | 1,253,298 | 51,340 | 1,304,638 |
| <i>Total Liabilities</i> | <u>1,735,731</u> | <u>80,448</u> | <u>1,816,179</u> |
| Fund Balances | | | |
| Nonspendable | 16,489 | 9,008 | 25,497 |
| Restricted | 0 | 85,633 | 85,633 |
| Assigned | 24,122 | 0 | 24,122 |
| Unassigned | 477,091 | 0 | 477,091 |
| <i>Total Fund Balances</i> | <u>517,702</u> | <u>94,641</u> | <u>612,343</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$ 2,253,433</u> | <u>\$ 175,089</u> | <u>\$ 2,428,522</u> |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2011*

| | | |
|--|--------|-----------------------------|
| Total Governmental Fund Balances | \$ | 612,343 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 950,262 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Delinquent Property Taxes | | 72,574 |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | | 212,272 |
| In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, and interest expenditure is reported when due. | | (2,348) |
| Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds: | | |
| H.B. 264 Loans | \$ | (342,672) |
| Installment Loan | | (35,875) |
| Capital Lease | | (27,865) |
| Accrued Vacation Leave Payable | | (19,474) |
| Compensated Absences | | (280,678) |
| Total | | <u>(706,564)</u> |
| <i>Net Assets of Governmental Activities</i> | \$ | <u><u>1,138,539</u></u> |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

| | General | Other Governmental Funds | Total Governmental Funds |
|---|-------------------|--------------------------------|--------------------------------|
| Revenues | | | |
| Taxes | \$ 1,234,511 | \$ 54,809 | \$ 1,289,320 |
| Intergovernmental | 2,362,088 | 254,989 | 2,617,077 |
| Investment Income | 3,446 | 0 | 3,446 |
| Tuition and Fees | 7,427 | 0 | 7,427 |
| Rentals | 8,188 | 0 | 8,188 |
| Charges for Services | 18,312 | 32,644 | 50,956 |
| Contributions and Donations | 2,750 | 0 | 2,750 |
| Miscellaneous | 9,375 | 0 | 9,375 |
| <i>Total Revenues</i> | <u>3,646,097</u> | <u>342,442</u> | <u>3,988,539</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 569,607 | 0 | 569,607 |
| Special | 0 | 90,889 | 90,889 |
| Vocational | 1,448,285 | 73,642 | 1,521,927 |
| Support Services: | | | |
| Pupils | 182,877 | 0 | 182,877 |
| Instructional Staff | 156,950 | 9,044 | 165,994 |
| Board of Education | 52,052 | 0 | 52,052 |
| Administration | 228,768 | 0 | 228,768 |
| Fiscal | 186,558 | 3,850 | 190,408 |
| Business | 51,187 | 0 | 51,187 |
| Operation and Maintenance of Plant | 477,790 | 248,376 | 726,166 |
| Pupil Transportation | 12,240 | 3,800 | 16,040 |
| Central | 12,135 | 6,566 | 18,701 |
| Operation of Non-Instructional Services: | | | |
| Food Service Operations | 0 | 115,183 | 115,183 |
| Extracurricular Activities | 17,857 | 0 | 17,857 |
| Debt Service: | | | |
| Principal Retirement | 13,950 | 47,500 | 61,450 |
| Interest and Fiscal Charges | 5,451 | 5,329 | 10,780 |
| <i>Total Expenditures</i> | <u>3,415,707</u> | <u>604,179</u> | <u>4,019,886</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 230,390 | (261,737) | (31,347) |
| Other Financing Sources (Uses) | | | |
| Energy Conservation Note Issued | 0 | 247,672 | 247,672 |
| <i>Net Change in Fund Balance</i> | 230,390 | (14,065) | 216,325 |
| <i>Fund Balances Beginning of Year (Restated, See Note 4)</i> | <u>287,312</u> | <u>108,706</u> | <u>396,018</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 517,702</u> | <u>\$ 94,641</u> | <u>\$ 612,343</u> |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011*

Net Change in Fund Balances - Total Governmental Funds \$ 216,325

*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 depreciation exceeded capital outlay in the current period.

| | | |
|---------------------------|-----------------|----------|
| Capital Asset Additions | \$ 63,276 | |
| Current Year Depreciation | <u>(84,524)</u> | |
| Total | | (21,248) |

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (18,442)

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

| | |
|---------------------------|----------|
| Delinquent Property Taxes | (13,240) |
|---------------------------|----------|

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

| | | |
|----------------------------|--------------|--------|
| H.B. 264 Loan Principal | 47,500 | |
| Installment Loan Principal | 8,025 | |
| Capital Lease Principal | <u>5,925</u> | |
| Total | | 61,450 |

In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, and interest expenditure is reported when due. 1,034

Energy conservation note issued in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues. (247,672)

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

| | | |
|--------------------------|---------------|-------|
| Accrued Vacation Payable | (3,640) | |
| Compensated Absences | <u>12,713</u> | |
| Total | | 9,073 |

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (305,121)

Change in Net Assets of Governmental Activities \$ (317,841)

See accompanying notes to the basic financial statements.

Coshocton County Career Center
*Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
 General Fund
 For the Fiscal Year Ended June 30, 2011

| | Budgeted Amounts | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|--------------|--------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 1,303,950 | \$ 1,170,500 | \$ 1,240,013 | \$ 69,513 |
| Intergovernmental | 2,261,248 | 2,363,887 | 2,362,088 | (1,799) |
| Investment Income | 3,299 | 3,500 | 3,446 | (54) |
| Rentals | 8,126 | 7,000 | 8,488 | 1,488 |
| Miscellaneous | 7,977 | 5,700 | 8,333 | 2,633 |
| <i>Total Revenues</i> | 3,584,600 | 3,550,587 | 3,622,368 | 71,781 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 552,515 | 555,787 | 555,789 | (2) |
| Vocational | 1,456,884 | 1,454,709 | 1,399,861 | 54,848 |
| Support Services: | | | | |
| Pupils | 184,877 | 184,697 | 179,290 | 5,407 |
| Instructional Staff | 199,291 | 191,731 | 185,966 | 5,765 |
| Board of Education | 51,043 | 54,043 | 54,152 | (109) |
| Administration | 233,792 | 219,717 | 217,458 | 2,259 |
| Fiscal | 179,417 | 179,717 | 179,918 | (201) |
| Business | 49,083 | 48,959 | 48,834 | 125 |
| Operation and Maintenance of Plant | 489,473 | 489,073 | 486,009 | 3,064 |
| Pupil Transportation | 3,500 | 13,200 | 11,657 | 1,543 |
| Central | 12,862 | 20,362 | 15,615 | 4,747 |
| Extracurricular Activities | 17,805 | 17,905 | 17,870 | 35 |
| Debt Service: | | | | |
| Principal Retirement | 13,950 | 13,950 | 13,950 | 0 |
| Interest and Fiscal Charges | 5,451 | 5,451 | 5,451 | 0 |
| <i>Total Expenditures</i> | 3,449,943 | 3,449,301 | 3,371,820 | 77,481 |
| <i>Excess of Revenues Over Expenditures</i> | 134,657 | 101,286 | 250,548 | 149,262 |
| Other Financing Sources (Uses) | | | | |
| Advances In | 800 | 800 | 0 | (800) |
| Refund of Prior Year Expenditures | 1,000 | 1,000 | 0 | (1,000) |
| Transfers Out | (3,000) | (6,100) | (5,000) | 1,100 |
| Refund of Prior Year Receipts | 0 | 0 | 83 | 83 |
| Other Financing Uses | (24,500) | (22,042) | 0 | 22,042 |
| Transfers In | | | | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (25,700) | (26,342) | (4,917) | 21,425 |
| <i>Net Change in Fund Balance</i> | 108,957 | 74,944 | 245,631 | 170,687 |
| <i>Fund Balance Beginning of Year (Restated, See Note 4)</i> | 564,689 | 564,689 | 564,689 | 0 |
| Prior Year Encumbrances Appropriated | 54,946 | 54,946 | 54,946 | 0 |
| <i>Fund Balance End of Year</i> | \$ 728,592 | \$ 694,579 | \$ 865,266 | \$ 170,687 |

See accompanying notes to the basic financial statements.

Coshocton County Career Center

Statement of Fund Net Assets

Proprietary Fund

June 30, 2011

| | Governmental Activities - Internal Service Fund |
|---|--|
| Assets | |
| <i>Current Assets:</i> | |
| Cash and Cash Equivalents with Fiscal Agent | \$ 293,155 |
| Liabilities | |
| <i>Current Liabilities:</i> | |
| Claims Payable | 80,883 |
| Net Assets | |
| Unrestricted | \$ 212,272 |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2011

| | Governmental Activities - Internal Service Fund |
|-------------------------------------|--|
| Operating Revenue | |
| Charges for Services | \$ 705,441 |
| Operating Expenses | |
| Purchased Services | 150,885 |
| Claims | 869,198 |
| <i>Total Operating Expenses</i> | 1,020,083 |
| <i>Operating Loss</i> | (314,642) |
| Non-Operating Revenue | |
| Interest | 9,521 |
| <i>Change in Net Assets</i> | (305,121) |
| <i>Net Assets Beginning of Year</i> | 517,393 |
| <i>Net Assets End of Year</i> | \$ 212,272 |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2011

| | Governmental Activities - Internal Service Fund |
|--|--|
| <hr/> <hr/> | |
| Cash Flows From Operating Activities | |
| Cash Received for Charges for Services | \$ 705,441 |
| Cash Payments for Goods and Services | (300,241) |
| Cash Payments for Claims | (660,719) |
| | <hr/> |
| <i>Net Cash Used by Operating Activities</i> | (255,519) |
| | <hr/> |
| Cash Flows From Investing Activities | |
| Interest on Investments | 9,521 |
| | <hr/> |
| <i>Net Decrease in Cash and Cash Equivalents</i> | (245,998) |
| | <hr/> |
| <i>Cash and Cash Equivalents Beginning of Year</i> | 539,153 |
| | <hr/> |
| <i>Cash and Cash Equivalents End of Year</i> | \$ 293,155 |
| | <hr/> <hr/> |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities | |
| <i>Operating Loss</i> | \$ (314,642) |
| Adjustment: | |
| Increase in Claims Payable | 59,123 |
| | <hr/> |
| <i>Net Cash Used by Operating Activities</i> | \$ (255,519) |
| | <hr/> <hr/> |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

| | Private Purpose Trust | Agency |
|--|--------------------------|-----------|
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,250 | \$ 11,972 |
| Accounts Receivable | 0 | 80 |
| <i>Total Assets</i> | 1,250 | 12,052 |
| Liabilities | | |
| Due to Students | 0 | \$ 12,052 |
| Net Assets | | |
| Held in Trust for Scholarships | \$ 1,250 | |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2011

| | <u>Private Purpose Trust</u> |
|--|----------------------------------|
| Deductions | |
| Payments in Accordance with Trust Agreements | <u>\$ 1,000</u> |
| <i>Net Assets Beginning of Year (Restated, Note 4)</i> | <u>2,250</u> |
| <i>Net Assets End of Year</i> | <u><u>\$ 1,250</u></u> |

See accompanying notes to the basic financial statements.

Coshocton County Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Coshocton County Career Center (Career Center) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Career Center is a school district as defined by Section 3311.18 of the Ohio Revised Code. The Career Center operates under a Board of Education, consisting of five members appointed by participating school districts. Average daily membership on October 1, 2011, was 250. The Career Center employs 24 certificated, 14 non-certificated employees and 4 administrators.

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

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

The Career Center is involved with Ohio Mid-Eastern Regional Educational Services Association (OME-RESA), which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 18.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Career Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local 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 applies generally accepted accounting principles that were issued prior to November 30, 1989 by the Financial Accounting Standards Board ("FASB") to its governmental activities and its internal service funds provided they do not conflict with or contradict GASB pronouncements. The Career Center has elected not to follow FASB guidance for internal service funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. Following are the more significant of the Career Center's accounting policies.

A. Basis of Presentation

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

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 activity of the internal service fund is also eliminated to avoid “doubling up” revenues and expenses.

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

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

B. Fund Accounting

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

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

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

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The Career Center's only proprietary fund is an internal service fund.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the Career Center on a cost reimbursement basis. The Career Center's internal service fund accounts for the operation of the Career Center's self-insurance program for employee medical benefits.

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 fiduciary funds are agency funds, which account for student advance placement testing and student activities, and private purpose trust funds, which account for scholarship programs.

C. Measurement Focus

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and 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 internal service fund activity.

The private purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 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 and the statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Career Center, available means expected to be received within sixty days of the 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 7). 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 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 year-end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

Deferred Revenue Deferred revenue arises 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, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

E. Budgetary Process

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

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

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

F. Cash and Cash Equivalents

To improve cash management, all cash received by the Career Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Career Center records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". The Career Center participates in the OME-RESA insurance consortium for self-insurance. These monies are held separate from the Career Center's central bank account and are reflected in the financial statement as "cash and cash equivalents with fiscal agent".

During fiscal year 2011, investments were limited to STAROhio.

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 and repurchase agreements are reported at cost.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule2a4 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2011.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$3,446, which includes \$455 assigned from other Career Center funds.

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

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

H. Capital Assets

All capital assets of the Career Center are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Career Center has a capitalization threshold of \$2,500. The Career Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not.

All reported capital assets except land 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> |
|----------------------------|------------------------|
| Land Improvements | 10-30 Years |
| Buildings and Improvements | 10-50 Years |
| Furniture and Equipment | 5-15 Years |
| Vehicles | 5-10 Years |

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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 employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the Career Center's past experience of making termination payments.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employee will be paid.

J. 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 from 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, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2011, none of the Career Center's net assets were restricted by enabling legislation. Net assets restricted for other purposes include instructional activities and grants.

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

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*,” the Career Center classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Career Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Career Center Board of Education.

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

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

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Career Center, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

O. Extraordinary and Special Items

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

P. Estimates

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

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2011, the Career Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" and GASB Statement No. 59, "*Financial Instruments Omnibus*."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned and/or unassigned.

GASB Statement No. 59 updated and improved existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation of this GASB statement did not affect the presentation of the financial statements of the Career Center.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 4: RESTATEMENT OF FUND BALANCES AND NET ASSETS

Fund reclassifications are required in order to report funds in accordance with GASB Statement No. 54. These fund reclassifications had the following effect on the School District's governmental fund balances as previously reported:

| | <u>General</u> | <u>Nonmajor Governmental</u> |
|---|-------------------|----------------------------------|
| Fund Balance Previously Reported at June 30, 2010 | \$ 282,366 | \$ 115,902 |
| Fund Reclassification: | | |
| Uniform School Supplies Fund | 859 | (859) |
| Trust/Administrative | | |
| Service Funds | 4,087 | (4,087) |
| Private Purpose Trust Fund | 0 | (2,250) |
| Restated Fund Balance at July 1, 2010 | <u>\$ 287,312</u> | <u>\$ 108,706</u> |

The fund reclassifications had the following effect on the School District's budgetary statements as previously reported:

| | <u>General</u> |
|---|-------------------|
| Fund Balance, Budgetary, Previously Reported at June 30, 2010 | \$ 576,448 |
| Fund Reclassification: | |
| Rotary/Consumer Service Fund | <u>(11,759)</u> |
| Restated Bund Balance, Budgetary, at July 1, 2010 | <u>\$ 564,689</u> |

The fund reclassifications had the following effect on the School District's net assets as previously reported:

| | <u>Private Purpose Trust Funds</u> | <u>Governmental Activities</u> |
|---|--|------------------------------------|
| Net Assets, Held in Trust, Previously Reported at June 30, 2010 | \$ 0 | \$ 1,458,630 |
| Fund Reclassification: | | |
| Private Purpose Trust Funds | 2,250 | (2,250) |
| Restated Net Assets, Held in Trust at July 1, 2010 | <u>\$ 2,250</u> | <u>\$ 1,456,380</u> |

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget) rather than when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditure (budget) rather than as a reservation of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

| Net Change in Fund Balance | |
|--|-------------------|
| | <u>General</u> |
| GAAP Basis | \$ 230,390 |
| Net Adjustments for Revenue Accruals | 8,519 |
| Net Adjustments for Expenditure Accruals | 50,957 |
| Funds Budgeted Elsewhere** | (7,832) |
| Adjustment for Encumbrances | <u>(36,403)</u> |
| Budget Basis | <u>\$ 245,631</u> |

**As part of Governmental Accounting Standards Board Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*,” certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies and administrative services funds.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 6: DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those 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 to 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 or 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 any other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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 (STAROhio).
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in any 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 noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 6: 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.

According to State law, public depositories must give security for all uninsured public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Career Center's name. During 2011, the Career Center and public depositories complied with the provisions of these statutes.

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a 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 percent 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 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.

At fiscal year-end, the carrying amount of the Career Center's deposits was \$724,478, which includes \$400 cash on hand. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of June 30, 2011, \$486,977 of the Career Center's bank balance of \$736,977 was exposed to custodial risk as discussed above, while \$250,000 was covered by the Federal Deposit Insurance Corporation.

Funds Held by Fiscal Agent

The Career Center participates in the Ohio Mid-Eastern Regional Educational Service Agency School Employees Insurance Consortium for employee benefits. The Career Center has \$293,155 representing internal service fund cash and cash equivalents with fiscal agent. All benefit deposits are made to the Consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the Consortium.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

Investments

As of June 30, 2011, the Career Center had the following investment and maturity:

| Investment Type | Fair Value | Investment Maturity 6 Months or Less |
|-----------------|---------------|---|
| STAROhio | \$ 307,684 | \$ 307,684 |

Credit Risk. Standard & Poor’s has assigned STAROhio an AAAM rating. The Career Center has no investment policy that would further limit its investment choices.

Concentration of Credit Risk. The Career Center places no limit on the amount that may be invested in any one issuer. At June 30, 2011, 100 percent of the Career Center’s investments were in STAROhio.

NOTE 7: PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located at the Career Center. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 7: PROPERTY TAXES (Continued)

Tangible personal property tax revenues received in calendar year 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010, on the value as of December 31, 2010. 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the Career Center due to the phasing out of the tax. In calendar years 2006-2010, the Career Center was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The Career Center receives property taxes from Coshocton, Guernsey, Licking, Muskingum and Tuscarawas Counties. The County Auditors periodically advance to the Career Center their portions of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced 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, 2011, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and 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 deferred revenue.

The amount available as an advance at June 30, 2011 was \$57,152 in the general fund and \$2,341 in the bond retirement fund. The amount available as an advance at June 30, 2010 in the general fund was \$62,654 in the general fund and \$2,814 in the bond retirement fund.

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

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 7: PROPERTY TAXES (Continued)

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

| | 2010 First Half Collections | | 2011 First Half Collections | |
|---|--------------------------------|---------|--------------------------------|---------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential | \$434,679,650 | 65% | \$436,930,160 | 62% |
| Commercial/Industrial | 116,472,200 | 17% | 116,789,590 | 17% |
| Public Utility/Minerals | 12,730,880 | 2% | 11,960,270 | 2% |
| Tangible Personal Property | 20,250 | 0% | 240 | 0% |
| Public Utility Personal Property | 106,293,290 | 16% | 137,401,580 | 19% |
| Total Assessed Value | \$670,196,270 | 100% | \$703,081,840 | 100% |
| Tax rate per \$1,000 of assessed value | \$ 2.50 | | \$ 2.50 | |

NOTE 8: RECEIVABLES

Receivables at June 30, 2011 consisted of taxes, accounts (student fees and miscellaneous) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of the State programs, and the current fiscal year guarantee of Federal funds.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 9: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

| | Balance 6/30/2010 | Additions | Deletions | Balance 6/30/2011 |
|--|----------------------|-------------|-------------|----------------------|
| Governmental Activities | | | | |
| <i>Capital Assets not being depreciated:</i> | | | | |
| Land | \$ 28,429 | \$ 0 | \$ 0 | \$ 28,429 |
| <i>Capital Assets, being depreciated:</i> | | | | |
| Land Improvements | 319,230 | 0 | 0 | 319,230 |
| Building and Improvements | 3,577,234 | 0 | 0 | 3,577,234 |
| Furniture and Equipment | 795,488 | 45,986 | (33,208) | 808,266 |
| Vehicles | 101,941 | 17,290 | 0 | 119,231 |
| <i>Total Capital Assets, being depreciated</i> | 4,793,893 | 63,276 | (33,208) | 4,823,961 |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Land Improvements | (317,277) | (230) | 0 | (317,507) |
| Building and Improvements | (2,746,468) | (62,777) | 0 | (2,809,245) |
| Furniture and Equipment | (669,028) | (20,124) | 14,766 | (674,386) |
| Vehicles | (99,597) | (1,393) | 0 | (100,990) |
| <i>Total Accumulated Depreciation</i> | (3,832,370) | (84,524) * | 14,766 | (3,902,128) |
| <i>Total Capital Assets being depreciated, net</i> | 961,523 | (21,248) | (18,442) | 921,833 |
| <i>Governmental Activities Capital Assets, net</i> | \$ 989,952 | \$ (21,248) | \$ (18,442) | \$ 950,262 |

* Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------------|-----------|
| Instruction: | |
| Regular | \$ 3,541 |
| Vocational | 51,111 |
| Support Services: | |
| Instructional Staff | 4,643 |
| Operation and Maintenance of Plant | 24,367 |
| Pupil Transportation | 862 |
| Total Depreciation Expense | \$ 84,524 |

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 10: RISK MANAGEMENT

A. General Insurance

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 has a comprehensive property and casualty policy with a deductible of \$1,000 per incident on property and equipment. The Career Center's comprehensive property and casualty policy aggregate limit is approximately \$3,000,000 (subject to scheduled limits). There is a separate policy covering boiler and machinery with a limit of \$13,116,060 and a \$1,000 deductible. The Career Center's vehicle insurance policy limit is \$1,000,000 with a \$500 auto collision deductible. All board members, administrators, and employees are covered under a Career Center liability policy. Additionally, the Career Center carries a \$3,000,000 blanket umbrella policy. Settlement claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

B. Fidelity Bond

The Board President and Superintendent have a \$20,000 position bond. The Treasurer is covered under a surety bond in the amount of \$60,000. In addition, the Career Center is covered by an umbrella policy in the amount of \$3,000,000.

C. Workers' Compensation

The Career Center pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The Career Center is a member of Sheakley Uniservice, Inc. This rate is calculated based on accident history and administrative costs.

D. Employee Health Insurance

The Career Center is self-insured for its medical, vision and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. The Career Center is a member of the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan, a claims servicing pool, consisting of over 100 members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the Career Center's behalf. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$35,000. Claims above a \$35,000 deductible are internally pooled. Claims above \$500,000 are covered by stop loss. The claims liability at June 30, 2011, was estimated by the third party administrator to be \$80,883. Under generally accepted accounting principles, the Career Center has recorded a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 10: RISK MANAGEMENT (Continued)

Changes in the fund's claim liability for 2010 and 2011 are listed below.

| | | Balance Beginning of Year | | Current Year Claims | | Claims Payments | | Balance End of Year |
|------|----|---------------------------------|----|------------------------|----|--------------------|----|------------------------|
| 2010 | \$ | 36,917 | \$ | 360,141 | \$ | 375,298 | \$ | 21,760 |
| 2011 | \$ | 21,760 | \$ | 719,842 | \$ | 660,719 | \$ | 80,883 |

NOTE 11: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. All employees earn three days of personal leave per year. Unused personal leave is accumulated and converted to sick leave. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days must be used within a year, unless Board approval is obtained. Accumulated, unused vacation time is paid to classified employees upon termination of employment. 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 to a maximum of 215 days for all personnel, except for the unused personal leave portion. There is no limit on the accumulation of unused personal leave this is converted to sick leave. Upon completion of ten or more years of service to the Career Center, state, or other political subdivision, and retirement from the profession, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 54 days for certified employees and 54 days for classified employees.

B. Life Insurance

The Career Center provides life insurance and accidental death and dismemberment insurance to employees through Ohio Mid-Eastern Regional Education Association Health Benefits Plan. Coverage is provided for all certified and classified employees depending on position, ranging from \$20,000 to \$75,000.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 12: DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description - The Career Center contributes to the School Employees Retirement System of Ohio (“SERS”), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS’ website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Career Center is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the Career Center’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations and death benefits. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Career Center’s contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$63,701, \$59,952 and \$41,482, respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for the fiscal years 2010 and 2009.

B. State Teachers Retirement System

Plan Description - The Career Center participates in the State Teachers Retirement System of Ohio (“STRS Ohio”), a cost-sharing, multiple employer public employee retirement pension plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that includes financial statements and required supplementary information. That report 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 site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to allocate their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment accounts. 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.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 12: 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The Career Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2010, the portion used to fund pension obligations was also 13 percent. 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 employer contributions.

The Career Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$222,825, \$225,115, and \$238,050, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$9,510 made by the Career Center and \$6,792 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2011, one member of the Board of Education has elected social security. The Career Center's liability is 6.2 percent of wages paid.

NOTE 13: POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The Career Center participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at 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 the year ended June 30, 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$35,800.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 13: POSTEMPLOYMENT BENEFITS (Continued)

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

The Career Center's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$14,319, \$8,791 and \$27,777, respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was .76 percent of covered payroll. The Career Center's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$4,059, \$3,565 and \$3,422, respectively; 92 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. State Teachers Retirement System

Plan Description – The Career Center contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the financial report of STRS Ohio. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Health Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Career Center's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were \$17,140, \$17,317 and \$18,312, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 14: LONG-TERM OBLIGATIONS

The changes in the Career Center's long-term obligations during the fiscal year 2011 were as follows:

| | Principal Outstanding 06/30/2010 | Additions | Deductions | Principal Outstanding 06/30/2011 | Due Within One Year |
|---|--|--------------------------|---------------------------|--|-------------------------|
| <i>Governmental Activities:</i> | | | | | |
| H.B. 264 Loan, 4.5%, maturing 2013 | \$ 142,500 | \$ 0 | \$ (47,500) | \$ 95,000 | \$ 47,500 |
| H.B. 264 Loan, 3.85%, maturing 2026 | 0 | 247,672 | 0 | 247,672 | 18,346 |
| Installment Loan, 4.5%, maturing 2014 | 43,900 | 0 | (8,025) | 35,875 | 8,385 |
| Capital Lease | 33,790 | 0 | (5,925) | 27,865 | 6,087 |
| Compensated Absences | 293,391 | 12,323 | (25,036) | 280,678 | 0 |
| <i>Total General Long-Term Obligations</i> | <u>\$ 513,581</u> | <u>\$ 259,995</u> | <u>\$ (86,486)</u> | <u>\$ 687,090</u> | <u>\$ 80,318</u> |

During fiscal year 2003, the Career Center entered into a loan for a House Bill 264 project that consisted of various repairs and upgrades to the school building to become more energy efficient. The total amount financed for the project was \$475,000. As in prior years, the loan will be paid from property tax revenue in the bond retirement debt service fund.

During fiscal year 2011, the Career Center entered into a loan for a House Bill 264 project that consisted of various repairs to the school building duct work. The total amount financed for the project was \$275,194. The Career Center used \$247,672, with \$27,522 remaining available. The loan will be paid from property tax revenue in the bond retirement debt service fund.

In fiscal year 1999, the Career Center entered into an agreement with the Coshocton County Commissioners to amortize \$100,000 worth of water and sewer line tap-in and other fees over a ten-year period. These amortized costs will mature in fiscal year 2015. The present value of \$100,000 over 10 years at an incremental borrowing rate of 4.5 percent was \$77,381, and this was the amount amortized. Construction was completed in June 2003 and the first payment was due in fiscal year 2006. Loan payments are made from the general fund using foundation revenue.

Compensated absences will be paid from the general fund and the food service fund.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 14: LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2011 are as follows:

| Fiscal Year Ending June 30, | H.B. 264 Loan 1 | | H.B. 264 Loan 2 | | Installment Loan | | Total | |
|--------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2012 | 47,500 | 3,325 | 18,346 | 10,155 | 8,385 | 1,614 | 74,231 | 15,094 |
| 2013 | 47,500 | 1,128 | 18,346 | 9,897 | 8,763 | 1,237 | 74,609 | 12,262 |
| 2014 | 0 | 0 | 18,346 | 9,213 | 9,157 | 843 | 27,503 | 10,056 |
| 2015 | 0 | 0 | 18,346 | 8,507 | 9,570 | 862 | 27,916 | 9,369 |
| 2016 | 0 | 0 | 18,346 | 7,818 | 0 | 0 | 18,346 | 7,818 |
| 2017-2021 | 0 | 0 | 91,733 | 28,393 | 0 | 0 | 91,733 | 28,393 |
| 2022-2026 | 0 | 0 | 64,209 | 10,782 | 0 | 0 | 64,209 | 10,782 |
| | <u>\$ 95,000</u> | <u>\$ 4,453</u> | <u>\$247,672</u> | <u>\$84,765</u> | <u>\$ 35,875</u> | <u>\$ 4,556</u> | <u>\$ 378,547</u> | <u>\$ 93,774</u> |

NOTE 15: CAPITAL LEASES – LESSEE DISCLOSURE

In fiscal year 2010, the Career Center entered into a capital lease for a Xerox work center. The Career Center's lease obligation meets the criteria of a capital leases as it transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general fund and capital projects fund on the basic financial statements.

Capital assets acquired by lease have been capitalized at a cost of \$33,790.

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

| | | |
|---|------|------------------|
| | | Capital Lease |
| For Fiscal Year Ending June 30, | 2012 | 8,678 |
| | 2013 | 8,678 |
| | 2014 | 8,678 |
| | 2015 | 7,954 |
| Total | | 33,988 |
| Less: Amount Representing Interest | | 6,123 |
| Present Value of Net Minimum Lease Payments | | <u>\$ 27,865</u> |

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 16: FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other funds are presented as follows:

| | General | Other Governmental Funds | Total |
|---------------------------|------------|--------------------------------|------------|
| Nonspendable for: | | | |
| Inventory | \$ 16,489 | \$ 9,008 | \$ 25,497 |
| Restricted for: | | | |
| Debt Service | 0 | 63,180 | 63,180 |
| Capital Projects | 0 | 8,000 | 8,000 |
| Other Purposes | 0 | 14,453 | 14,453 |
| Total Restricted | 0 | 85,633 | 85,633 |
| Assigned for: | | | |
| Encumbrances | 19,098 | 0 | 19,098 |
| Other Purposes | 5,024 | 0 | 5,024 |
| Total Assigned | 24,122 | 0 | 24,122 |
| Unassigned | 477,091 | 0 | 477,091 |
| <i>Total Fund Balance</i> | \$ 517,702 | \$ 94,641 | \$ 612,343 |

NOTE 17: SET-ASIDES

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

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 17: SET-ASIDES (Continued)

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

| | Textbook Instructional Materials Reserve | Capital Improvement Reserve |
|---|--|-----------------------------------|
| Set-aside Reserve Balances as of June 30, 2010 | \$ 0 | \$ 0 |
| Current Year Set Aside Requirement | 43,250 | 43,250 |
| Contributions in Excess of the Current Fiscal Year Set Aside Requirement | 0 | 0 |
| Current Year Qualifying Expenditures | (86,266) | (43,250) |
| Excess Qualified Expenditures from Prior Years | (851,822) | 0 |
| Current Year Offsets | 0 | (247,672) |
| Waiver Granted by the Department of Education | 0 | 0 |
| Prior Year Offest from Bond Proceeds | 0 | (383,865) |
| Total | \$ (894,838) | \$ (631,537) |
| Balance Carried Forward to Fiscal Year 2012 | \$ (894,838) | \$ 0 |
| Set Aside Reserve Balance as of June 30, 2011 | \$ 0 | \$ (631,537) |

The Career Center had qualifying disbursements during the fiscal year that reduced the textbooks set-aside amount below zero. This amount may be used to reduce the set-aside requirement of future years. The Career Center had offsets from debt proceeds that reduced the capital improvements set-aside amount below zero. This amount may be used to reduce the set-aside requirement over the life of the related debt. Effective July 1, 2011, textbook set-aside laws have been repealed.

NOTE 18: JOINTLY GOVERNED ORGANIZATION

Ohio Mid-Eastern Regional Educational Services Association (OME-RESA) OME-RESA is a jointly governed organization comprised of 52 schools, created as a regional council of governments pursuant to state statute. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member Career Centers. Each of the governments of these Career Centers support OME-RESA based on a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating Career Center and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating Career Centers are located. During fiscal year 2011, the Career Center paid \$10,001 in administrative fees to OME-RESA. Financial information can be obtained by contacting the Treasurer at the Jefferson County Education Services Center, which serves as fiscal agent, located in Steubenville, Ohio.

Coshocton County Career Center
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2011

NOTE 19: CONTINGENCIES

A. Grants

The Career Center received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the Career Center at June 30, 2011.

B. Litigation

The Career Center is not party to any claims or lawsuits that would have a material effect, if any, on the financial condition of the Career Center.



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

Coshocton County Career Center
Coshocton County
23640 Airport Road
Coshocton, Ohio 43812

To the Board of Education:

We have audited the financial statements of the governmental activities, the major general fund and the aggregate remaining fund information of the Coshocton County Career Center, Coshocton County, Ohio (the Career Center) as of and for the year ended June 30, 2011, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated December 18, 2012. Also, the Career Center adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

We did note a certain matter not requiring inclusion in this report that we reported to the Career Center's management in a separate letter dated December 18, 2012.

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 a certain matter not requiring inclusion in this report that we reported to the Career Center's management in a separate letter dated December 18, 2012.

We intend this report solely for the information and use of management and the Board of Education. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

December 18, 2012



Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedures

Coshocton County Career Center
Coshocton County
23640 Airport Road
Coshocton, Ohio 43812

To the Board of Education:

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

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

1. In our report dated October 28, 2010, we noted the Board adopted an anti-harassment policy on November 7, 2007. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. We inquired with the Board's management regarding the aforementioned policy. They stated they have not amended the November 7, 2007 policy. Therefore, the policy still lacks the following required by Ohio Rev. Code Section 3313.666.
 - (1) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (2) 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;
 - (3) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

- (4) 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 and is not intended to be and should not be used by anyone other than these specified parties.

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

Dave Yost
Auditor of State

December 18, 2012



Dave Yost • Auditor of State

COSHOCTON COUNTY CAREER CENTER

COSHOCTON 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 24, 2013**