PENTA CAREER CENTER

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

Board of Education
Penta Career Center
9301 Buck Road
Perrysburg, Ohio 43551

We have reviewed the *Independent Auditors' Report* of the Penta Career Center, Wood County, prepared by Weber O'Brien Ltd., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Penta Career Center is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 24, 2009

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PENTA CAREER CENTER

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INDEPENDENT AUDITORS' REPORT

Board of Education
Penta Career Center
9301 Buck Road
Perrysburg, OH 43551

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Penta Career Center ("Career Center"), an Ohio Vocational School District, as of and for the year ended June 30, 2008, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Penta Career Center as of June 30, 2008, and the respective changes in financial position in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2009 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and pages 46 through 47 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Penta Career Center's basic financial statements. The accompanying schedule of expenditures of federal awards on page 48 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Weber O'Brien Ltd

June 26, 2009

The discussion and analysis of Penta Career Center's financial performance provides an overview of the Career Center's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the Career Center's financial performance as a whole.

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 Penta Career Center's financial position.

The statement of net assets and the statement of activities provide information about the activities of the Career Center as a whole, presenting both an aggregate and a longer-term view of the Career Center.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the Career Center's most significant funds individually and the Career Center's non-major funds in a single column. The Career Center's major funds are the General Fund, the Bond Retirement debt service fund, and the Permanent Improvement and Building capital projects funds.

REPORTING THE CAREER CENTER AS A WHOLE

The statement of net assets and the statement of activities reflect how the Career Center did financially during fiscal year 2008. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These 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 whether the financial position of the Career Center as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors can include changes in the Career Center's property tax base and the condition of the Career Center's capital assets. These factors must be considered when assessing the overall health of the Career Center.

In the statement of net assets and the statement of activities, all of the Career Center's activities are reported as governmental activities including instruction, support services, noninstructional services, and extracurricular activities. These services are primarily funded by property tax revenues and from intergovernmental revenues, including federal and state grants and other shared revenues.

REPORTING THE CAREER CENTER'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the Career Center's major funds. The Career Center's major governmental funds are the General Fund, the Bond Retirement debt service fund, and the Permanent Improvement and Building capital projects funds. While the Career Center uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - The Career Center's governmental funds are used to account for the same programs reported as governmental activities on the government-wide financial statements. The Career Center's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at fiscal year end. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the Career Center's operations.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Career Center's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Career Center. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the Career Center's programs. These funds use the accrual basis of accounting.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the Career Center's net assets for fiscal year 2008 and fiscal year 2007.

Table 1
Net Assets

	2008	2007	Change
Assets			
Current and Other Assets	$55,387,819	$72,132,747	($16,744,928)
Capital Assets, Net	94,311,746	73,330,262	20,981,484
Total Assets	149,699,565	145,463,009	4,236,556
Liabilities			
Current and Other Liabilities	33,333,058	35,080,266	1,747,208
Long-Term Liabilities	65,371,398	66,650,514	1,279,116
Total Liabilities	98,704,456	101,730,780	3,026,324

(continued)

Table 1
Net Assets
(continued)

	2008	2007	Change
Net Assets			
Invested in Capital Assets, Net of Related Debt	$23,077,486	$11,095,185	$11,982,301
Restricted	26,532,738	33,302,842	(6,770,104)
Unrestricted (Deficit)	1,384,885	(665,798)	2,050,683
Total Net Assets	$50,995,109	$43,732,229	$7,262,880

A review of the above table notes several significant changes from the prior fiscal year. The 23 percent decrease in current and other assets is primarily the result of remaining bond proceeds (obtained in a prior fiscal year) being spent on construction of the new campus. This change is also reflected in the increase in net capital assets.

Construction activities are also primarily responsible for the changes in invested in capital assets and restricted net assets. The increase in invested in capital assets is the result of two events, cash spent for capital assets, primarily construction, as well as a reduction in capital related debt. Restricted net assets decreased as resources restricted for construction were spent.

Table 2 reflects the change in net assets for fiscal year 2008 and fiscal year 2007.

Table 2
Change in Net Assets

	2008	2007	Change
Revenues			
Program Revenues			
Charges for Services	$1,335,382	$1,352,074	($16,692)
Operating Grants and Contributions	5,849,007	5,854,803	(5,796)
Total Program Revenues	7,184,389	7,206,877	(22,488)
General Revenues			
Property Taxes	16,256,174	15,889,395	366,779
Grants and Entitlements not Restricted to Specific Programs	9,679,090	8,836,130	842,960
Interest	2,033,791	4,056,066	(2,022,275)
Contributions and Donations	317,846	288,948	28,898
Miscellaneous	1,890,792	72,208	1,818,584
Total General Revenues	30,177,693	29,142,747	1,034,946
Total Revenues	37,362,082	36,349,624	1,012,458

(continued)

Table 2
Change in Net Assets
(continued)

	2008	2007	Change
Instruction:			
Regular	$0	$26,301	$26,301
Special	1,170,298	1,075,770	(94,528)
Vocational	13,867,270	13,136,885	(730,385)
Adult/Continuing	650,268	652,949	2,681
Support Services:			
Pupils	2,635,908	2,684,169	48,261
Instructional Staff	2,216,737	2,163,848	(52,889)
Board of Education	52,372	62,756	10,384
Administration	1,252,883	1,269,585	16,702
Fiscal	602,806	566,603	(36,203)
Operation and Maintenance of Plant	3,078,497	2,226,434	(852,063)
Central	306,446	334,696	28,250
Noninstructional Services	852,995	867,859	14,864
Extracurricular Activities	139,689	140,163	474
Interest and Fiscal Charges	3,273,033	3,584,256	311,223
Total Expenses	30,099,202	28,792,274	(1,306,928)
Increase in Net Assets	7,262,880	7,557,350	(294,470)
Net Assets at Beginning of Year	43,732,229	36,174,879	7,557,350
Net Assets at End of Year	$50,995,109	$43,732,229	$7,262,880

With an increase in total revenues of less than 3 percent, both program revenues and general revenues, with the exception of interest and miscellaneous revenues, remained fairly comparable to the prior fiscal year. Interest revenues decreased due to less cash resources invested as monies were spent on construction as well as the drop in rates due to economic conditions. The increase in miscellaneous revenues was due to a gain on the sale of capital assets.

Expenses also remained quite comparable to the prior fiscal year with just a modest 4.5 percent increase overall.

As revenues continued to exceed expenses again in fiscal year 2008, this excess provided for an increase in net assets of over16 percent.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
Instruction:				
Regular	$0	$26,301	($15,867)	$7,567
Special	1,170,298	1,075,770	(16,136)	(14,918)
Vocational	13,867,270	13,136,885	9,580,218	8,877,553
Adult/Continuing	650,268	652,949	(267,890)	(463,523)
Support Services:				
Pupils	2,635,908	2,684,169	2,612,358	2,661,369
Instructional Staff	2,216,737	2,163,848	2,216,737	2,163,848
Board of Education	52,372	62,756	52,372	62,756
Administration	1,252,883	1,269,585	1,252,883	1,269,585
Fiscal	602,806	566,603	602,806	566,603
Operation and Maintenance of Plant	3,078,497	2,226,434	3,078,497	2,226,434
Central	306,446	334,696	306,446	334,696
Noninstructional Services	852,995	867,859	99,667	169,008
Extracurricular Activities	139,689	140,163	139,689	140,163
Interest and Fiscal Charges	3,273,033	3,584,256	3,273,033	3,584,256
Total Expenses	$30,099,202	$28,792,274	$22,914,813	$21,585,397

As demonstrated in the above table, the Career Center's dependence on general revenues (primarily property taxes and unrestricted State resources) is significant as general revenues provided for 76 percent of program costs. Several programs, however, receive significant contributions from program revenues. For instance, 41 percent of instruction costs are provided for through program revenues, primarily operating grants restricted for various instruction purposes but also through charges for services, such as tuition and fees. Also, 88 percent of noninstructional services costs are provided for through program revenues, generally charges for lunches in the food service program.

GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS

The Career Center's governmental funds are accounted for using the modified accrual basis of accounting. The Career Center's major governmental funds are the General Fund, the Bond Retirement debt service fund, and the Permanent Improvement and Building capital projects funds.

For the General Fund, both revenues and expenditures were fairly comparable to the prior fiscal year with just a 6 percent increase in both revenues and expenditures. However, there was a decrease in the transfers made to subsidize activities in other funds of $1.4 million. This reduction led to the almost 49 percent increase in fund balance.

Principal and interest payments within the Bond Retirement debt service fund are funded by transfers from the Permanent Improvement capital projects fund. The change in fund balance was not significant.

The 19 percent increase in fund balance in the Permanent Improvement capital projects fund is not only the continued excess of revenues over expenditures, but for fiscal year 2008, the sale of capital assets contributed to this increase.

Due to resources spent for construction, the Building capital projects fund ended the fiscal year with a deficit fund balance. Resources from the Permanent Improvement capital projects fund will continue to be transferred to the Building Fund.

BUDGETARY HIGHLIGHTS

The Career Center prepares an annual budget of revenues and expenditures for all funds of the Career Center for use by the Career Center's administration, management, and department heads and prepares such other budgetary documents as are required by State statute, including the annual appropriations resolution which is effective the first day of July. The Career Center's most significant budgeted fund is the General Fund. During fiscal year 2008, the Career Center amended its General Fund budget as needed.

For revenues, there was an increase from the original budget to the final budget, primarily related to a conservative estimate for monies to be received from the State. The change from the final budget to actual revenues was less than 2 percent.

For expenditures, both changes from the original budget to the final budget as well as from the final budget to actual expenditures were not significant; however, savings were realized within all programs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At June 30, 2008, the Career Center had $94,311,746 invested in capital assets (net of accumulated depreciation). Additions for fiscal year 2008 were significant, primarily due to the new construction. However, as a result of the new building, there were also significant disposals of the old assets as the old building was sold. For further information regarding the Career Center's capital assets, refer to Note 8 to the basic financial statements.

Debt - The Career Center's outstanding debt at June 30, 2008, included tax anticipation notes, in the amount of $11,000,000, land acquisition general obligation bonds, in the amount of $1,590,000, and certificates of participation, in the amount of $61,031,605. The Career Center entered into a leasing arrangement for constructing, equipping, and furnishing a new campus in 2004 through issuing certificates of participation (COPs). The leasing agreement will be paid from a one mill permanent improvement property tax levy.

In addition to the debt outlined above, the Career Center's long-term obligations also include compensated absences. For further information regarding the Career Center's long-term obligations, refer to Notes 15 and 16 to the basic financial statements.

CURRENT ISSUES

Construction of the new campus was completed in the summer of 2008. The Career Center welcomed students on the new campus for the start of the 2008/2009 school year on September 2, 2008. The facility was completed about eight months ahead of schedule giving the Career Center the opportunity to open the new school to students an entire school year earlier than originally anticipated. Enrollment for the 2008/2009 school year increased by approximately one hundred students over the previous year. Much of this is attributed to the new 10^{th} grade exploratory programs being offered in the new building as well several new career technical programs being offered for the first time including exercise science and fire/EMT.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Career Center's finances for all those interested in Penta Career Center's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Carrie J. Herringshaw, Treasurer, 9301 Buck Road, Perrysburg, Ohio 43551.

Penta Career Center
Statement of Net Assets
June 30, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$29,736,294
Cash and Cash Equivalents with Escrow Agent	2,661,068
Investments	4,207,869
Accounts Receivable	24,379
Accrued Interest Receivable	334,073
Intergovernmental Receivable	95,273
Prepaid Items	24,260
Inventory Held for Resale	5,265
Materials and Supplies Inventory	1,716
Property Taxes Receivable	16,751,882
Unamortized Issuance Costs	1,545,740
Nondepreciable Capital Assets	92,773,173
Depreciable Capital Assets, Net	1,538,573
Total Assets	149,699,565
Liabilities	
Accrued Wages and Benefits Payable	1,782,904
Accounts Payable	590,790
Contracts Payable	1,463,143
Retainage Payable	2,733,303
Matured Compensated Absences Payable	19,899
Separation Benefits Payable	1,500
Intergovernmental Payable	317,618
Accrued Interest Payable	759,522
Notes Payable	11,000,000
Deferred Revenue	14,664,379
Long-Term Liabilities	
Due Within One Year	1,873,201
Due in More Than One Year	63,498,197
Total Liabilities	98,704,456
Net Assets	
Invested in Capital Assets, Net of Related Debt	23,077,486
Restricted for:	
Capital Projects	23,835,821
Debt Service	2,682,844
Other Purposes	14,073
Unrestricted	1,384,885
Total Net Assets	$50,995,109

See accompanying notes to the basic financial statements

Penta Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2008

		Program Revenues		Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$0	$0	$15,867	$15,867
Special	1,170,298	49,745	1,136,689	16,136
Vocational	13,867,270	200,600	4,086,452	(9,580,218)
Adult/Continuing	650,268	494,744	423,414	267,890
Support Services:				
Pupils	2,635,908	0	23,550	(2,612,358)
Instructional Staff	2,216,737	0	0	(2,216,737)
Board of Education	52,372	0	0	(52,372)
Administration	1,252,883	0	0	(1,252,883)
Fiscal	602,806	0	0	(602,806)
Operation and Maintenance of Plant	3,078,497	0	0	(3,078,497)
Central	306,446	0	0	(306,446)
Noninstructional Services	852,995	590,293	163,035	(99,667)
Extracurricular Activities	139,689	0	0	(139,689)
Interest and Fiscal Charges	3,273,033	0	0	(3,273,033)
Total Governmental Activities	$30,099,202	$1,335,382	$5,849,007	(22,914,813)

General Revenues	
Property Taxes Levied for	
General Purposes	11,357,607
Permanent Improvement	4,898,567
Grants and Entitlements not Restricted to Specific Programs	9,679,090
Interest	2,033,791
Contributions and Donations	317,846
Miscellaneous	1,890,792
Total General Revenues	30,177,693
Change in Net Assets	7,262,880
Net Assets at Beginning of Year	43,732,229
Net Assets at End of Year	$50,995,109

See accompanying notes to the basic financial statements

Penta Career Center
Balance Sheet
Governmental Funds
June 30, 2008

	General	Bond Retirement	Permanent Improvement	Building	Other Governmental	Total
Assets						
Equity in Pooled Cash and Cash Equivalents	$4,611,272	$1,362	$18,388,877	$6,569,766	$165,017	$29,736,294
Investments	0	4,207,869	0	0	0	4,207,869
Accounts Receivable	24,379	0	0	0	0	24,379
Accrued Interest Receivable	236,963	0	0	97,110	0	334,073
Intergovernmental Receivable	18,493	0	0	0	76,780	95,273
Interfund Receivable	114,773	0	186,585	0	0	301,358
Prepaid Items	19,611	0	0	2,649	2,000	24,260
Inventory Held for Resale	0	0	0	0	5,265	5,265
Materials and Supplies Inventory	0	0	0	0	1,716	1,716
Restricted Assets						
Cash and Cash Equivalents with Escrow Agent	0	0	0	2,661,068	0	2,661,068
Property Taxes Receivable	11,580,999	0	5,170,883	0	0	16,751,882
Total Assets	$16,606,490	$4,209,231	$23,746,345	$9,330,593	$250,778	$54,143,437
Liabilities and Fund Balances						
Liabilities						
Accrued Wages and Benefits Payable	$1,742,713	$0	$0	$0	$40,191	$1,782,904
Accounts Payable	157,774	0	0	427,111	5,905	590,790
Contracts Payable	0	0	0	1,463,143	0	1,463,143
Retainage Payable	0	0	0	72,235	0	72,235
Matured Compensated Absences Payable	18,533	0	0	0	1,366	19,899
Intergovernmental Payable	295,624	0	0	0	21,994	317,618
Interfund Payable	186,585	0	0	0	114,773	301,358
Liabilities Payable from Restricted Assets						
Retainage Payable	0	0	0	2,661,068	0	2,661,068
Accrued Interest Payable	0	0	0	74,740	0	74,740
Notes Payable	0	0	0	11,000,000	0	11,000,000
Deferred Revenue	10,591,612	0	4,643,081	0	61,517	15,296,210
Total Liabilities	12,992,841	0	4,643,081	15,698,297	245,746	33,579,965
Fund Balances						
Reserved for Property Taxes	1,182,978	0	508,087	0	0	1,691,065
Reserved for Encumbrances	992,107	0	0	3,758,958	54,755	4,805,820
Unreserved, Reported in						
General Fund	1,438,564	0	0	0	0	1,438,564
Special Revenue Funds (Deficit)	0	0	0	0	(49,723)	(49,723)
Debt Service Fund	0	4,209,231	0	0	0	4,209,231
Capital Projects Funds (Deficit)	0	0	18,595,177	(10,126,662)	0	8,468,515
Total Fund Balances (Deficit)	3,613,649	4,209,231	19,103,264	(6,367,704)	5,032	20,563,472
Total Liabilities and Fund Balances	$16,606,490	$4,209,231	$23,746,345	$9,330,593	$250,778	$54,143,437

See accompanying notes to the basic financial statements

Penta Career Center

Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2008

Total Governmental Fund Balances		$20,563,472
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		94,311,746
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Accrued Interest Receivable	236,963	
Intergovernmental Receivable	61,517	
Property Taxes Receivable	333,351	
		631,831
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.		1,545,740
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Separation Benefits Payable	(1,500)	
Accrued Interest Payable	(684,782)	
General Obligation Bonds Payable	(1,590,000)	
Certificates of Participation Payable	(61,031,605)	
Compensated Absences Payable	(2,749,793)	
		(66,057,680)
Net Assets of Governmental Activities		$50,995,109

See accompanying notes to the basic financial statements

Penta Career Center
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Bond Retirement	Permanent Improvement	Building	Other Governmental	Total
Revenues						
Property Taxes	$11,476,102	$0	$4,952,441	$0	$0	$16,428,543
Intergovernmental	13,620,633	0	774,996	0	1,079,867	15,475,496
Interest	392,079	1,906	915,744	1,338,557	0	2,648,286
Tuition and Fees	200,600	0	0	0	443,669	644,269
Charges for Services	298,445	0	0	0	378,829	677,274
Extracurricular Activities	13,839	0	0	0	0	13,839
Gifts and Donations	321,289	0	0	0	0	321,289
Miscellaneous	53,320	0	0	0	6,862	60,182
Total Revenues	26,376,307	1,906	6,643,181	1,338,557	1,909,227	36,269,178
Expenditures						
Current:						
Instruction:						
Special	1,125,630	0	0	0	0	1,125,630
Vocational	13,785,774	0	0	0	109,881	13,895,655
Adult/Continuing	12,278	0	0	0	624,951	637,229
Support Services:						
Pupils	2,210,773	0	0	0	381,612	2,592,385
Instructional Staff	1,935,007	0	0	0	221,827	2,156,834
Board of Education	52,372	0	0	0	0	52,372
Administration	900,961	0	0	0	363,065	1,264,026
Fiscal	531,030	0	41,120	10,500	0	582,650
Operation and Maintenance of Plant	2,613,659	0	0	0	0	2,613,659
Central	305,449	0	0	0	0	305,449
Noninstructional Services	226,321	0	0	0	625,987	852,308
Extracurricular Activities	137,835	0	0	0	1,854	139,689
Capital Outlay	0	0	0	25,420,024	0	25,420,024
Debt Service:						
Principal Retirement	0	1,250,000	355,000	0	0	1,605,000
Interest and Fiscal Charges	0	2,765,306	81,656	424,966	0	3,271,928
Total Expenditures	23,837,089	4,015,306	477,776	25,855,490	2,329,177	56,514,838
Excess of Revenues Over (Under) Expenditures	2,539,218	(4,013,400)	6,165,405	(24,516,933)	(419,950)	(20,245,660)
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	6,000,000	0	0	6,000,000
Transfers In	0	3,980,471	1,200,000	6,526,823	153,143	11,860,437
Transfers Out	(1,353,143)	0	(10,305,042)	(202,252)	0	(11,860,437)
Total Other Financing Sources (Uses)	(1,353,143)	3,980,471	(3,105,042)	6,324,571	153,143	6,000,000
Changes in Fund Balances	1,186,075	(32,929)	3,060,363	(18,192,362)	(266,807)	(14,245,660)
Fund Balances at Beginning of Year	2,427,574	4,242,160	16,042,901	11,824,658	271,839	34,809,132
Fund Balances (Deficit) at End of Year	$3,613,649	$4,209,231	$19,103,264	($6,367,704)	$5,032	$20,563,472

See accompanying notes to the basic financial statements

Penta Career Center

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities

For the Fiscal Year Ended June 30, 2008

Changes in Fund Balances - Total Governmental Funds		($14,245,660)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year:		
Nondepreciable Capital Assets	24,956,950	
Depreciable Capital Assets	431,881	
Depreciation	(237,957)	
		25,150,874
The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net assets and is offset against the proceeds from the sale of capital assets resulting in a gain on disposal of capital assets on the statement of activities.		
Proceeds from the Sale of Capital Assets	(6,000,000)	
Gain on Disposal of Capital Assets	1,830,610	
		(4,169,390)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property Taxes	(172,369)	
Intergovernmental	49,158	
Interest	(614,495)	
		(737,706)
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net assets.		1,605,000
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net assets. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities.		
Accrued Interest Payable	13,744	
Amortization of Premium	17,749	
		31,493
Issuance costs are reported as an expenditure when paid in the governmental funds but is amortized on the statement of activities.		(32,598)
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences Payable	(343,633)	
Separation Benefits Payable	4,500	
		(339,133)
Change in Net Assets of Governmental Activities		$7,262,880

See accompanying notes to the basic financial statements

Penta Career Center

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2008

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	$4,680	$8,236
Liabilities		
Due to Students	0	$8,236
Net Assets		
Held in Trust for Students	$4,680	

See accompanying notes to the basic financial statements

Penta Career Center

Statement of Change in Fiduciary Net Assets

Private Purpose Trust Fund

For the Fiscal Year Ended June 30, 2008

Additions	
Gifts and Donations	$6,000
Deductions	
Noninstructional Services	10,725
Change in Net Assets	(4,725)
Net Assets at Beginning of Year	9,405
Net Assets at End of Year	$4,680

See accompanying notes to the basic financial statements

Note 1 - Description of the Career Center and Reporting Entity

Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio operated under the direction of an eleven member Board of Education consisting of a representative from the participating school districts' elected boards. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg, and Rossford; one representative from each of the three least populous counties: Fulton, Ottawa, and Sandusky; and two representatives from each of the most populous counties: Lucas and Wood. The Board possesses its own budgeting and taxing authority. The Career Center exposes students to job training skills leading to employment upon graduation from high school.

The Career Center was established in 1964. The Career Center serves Fulton, Hancock, Henry, Lucas, Ottawa, Sandusky, and Wood Counties. It is staffed by seventy classified employees, two hundred certified teaching personnel, and twenty-one administrative employees who provide services to one thousand seven hundred forty-six students and other community members. The Career Center currently operates five instructional buildings.

Reporting Entity

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

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

The Career Center participates in two jointly governed organizations and three insurance pools. These organizations are the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Ohio School Plan, the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan, and the Wood County Insurance Consortium. These organizations are presented in Notes 20 and 21 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Penta Career Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Career Center also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. 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 financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Career Center as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. These statements usually distinguish between those activities of the Career Center that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the Career Center has no business-type activities.

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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Career Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Career Center.

Fund Financial Statements

During the fiscal year, the Career Center segregates transactions related to certain Career Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Career Center at this more detailed level. The focus of governmental 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. 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 funds of the Career Center are divided into two categories, governmental and fiduciary.

Note 2 - Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the Career Center are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The Career Center's major funds are the General Fund, the Bond Retirement debt service fund, and the Permanent Improvement and Building capital projects funds.

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

Bond Retirement Fund - The Bond Retirement debt service fund accounts for the accumulation of resources for, and the payment of principal, interest, and related costs of the certificates of participation.

Permanent Improvement Fund - The Permanent Improvement capital projects fund accounts for property taxes restricted for the acquisition, construction, or improvement of capital facilities.

Building Fund - The Building capital projects fund accounts for proceeds from the issuance of certificates of participation used to construct a new campus.

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

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 not available to support the Career Center's own programs. The Career Center's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Career Center's agency fund accounts for various student-managed activities.

C. Measurement Focus

Government-Wide Financial Statements

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Career Center, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Career Center receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the estimate of revenues, certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The estimate of revenues provides information regarding the estimated revenues for all funds, along with a schedule of outstanding general obligation debt. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control selected by the Board is the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the function and object level for these funds are made by the Treasurer.

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

Note 2 - Summary of Significant Accounting Policies (continued)

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal 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 Investments

To improve cash management, 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".

Cash and cash equivalents that are held separately by an escrow agent for payment of retainage to contractors upon project completion are recorded as "Cash and Cash Equivalents with Escrow Agent".

During fiscal year 2008, the Career Center's investments included nonnegotiable certificates of deposit, federal agency securities, commercial paper, repurchase agreements, mutual funds, and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit and repurchase agreements, which are reported at cost. Fair value is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2008.

The Board of Education, by resolution, allocates interest earnings at the end of each fiscal year. Interest revenue credited to the General Fund during fiscal year 2008 was $392,079, which includes $5,338 assigned from other Career Center funds.

Investments of the Career Center's 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 presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of administrative supplies and donated and purchased food.

Note 2 - Summary of Significant Accounting Policies (continued)

I. Unamortized Issuance Costs

On the government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and are generally paid from debt proceeds.

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

J. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Career Center has resources set aside in separate escrow accounts whose use is limited to the payment of retainage to contractors.

K. Capital Assets

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

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

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

Description	Useful Lives
Buildings and Building Improvements	15 years
Furniture, Fixtures, and Equipment	5 - 20 years
Vehicles	5 - 10 years

L. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities are eliminated on the statement of net assets.

Note 2 - Summary of Significant Accounting Policies (continued)

M. 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 the Career Center will compensate the employees for the benefits through paid time off or some other means. The Career Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. The liability includes earned sick leave to the extent 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 absences liability is reported on the government-wide financial statements.

On governmental fund financial 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 fund from which the employees who have accumulated unpaid leave are paid.

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds and certificates of participation are recognized as liabilities on the fund financial statements when due.

O. 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 balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Career Center or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations and federal and state grants. The Career Center's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Career Center did not have any net assets restricted by enabling legislation at June 30, 2008.

Note 2 - Summary of Significant Accounting Policies (continued)

P. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

Q. Unamortized Premiums

On government-wide financial statements, premiums are deferred and amortized over the term of the debt using the debt-outstanding method, which approximates the effective interest method. Premiums are presented as an addition to the face amount of the debt.

On the governmental fund financial statements, premiums are recognized as other financing sources in the period in which the debt is issued.

R. Interfund Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

S. Estimates

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

Note 3 - Change in Accounting Principles

For fiscal year 2008, the Career Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this statement for both the State Teachers Retirement System and the School Employees Retirement System postemployment healthcare plans, in the amount of $14,589 and $8,563, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2008, the Food Service, Vocational Education, ABLE, Tech Prep, Title VI, and Drug Free special revenue funds had deficit fund balances of $6,308, $200, $3,672, $86,814, $3,112, and $5,275, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Building capital projects fund had a deficit fund balance, in the amount of $6,367,704 due to reporting the tax anticipation note liability in the fund receiving the note proceeds. The deficit will be alleviated when the notes are paid.

B. Compliance

The Special Trust special revenue fund and the Permanent Improvement capital projects fund had expenditures in excess of appropriations, in the amount of $54 and $120, respectively. The Career Center will monitor the activity of their funds to ensure expenditures are within appropriations.

Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);

7. The State Treasurer's investment pool (STAR Ohio); and

8. Commercial paper and bankers' acceptances if training requirements have been met.

Note 5 - 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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Career Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, $7,658,890 of the Career Center's bank balance of $29,807,635 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Career Center to a successful claim by the FDIC.

The Career Center has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Career Center or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of June 30, 2008, the Career Center had the following investments:

	Total	Less Than Three Months	Three Months to Six Months
Federal Home Loan Mortgage Corporation Notes	$1,009,100	$0	$1,009,100
Commercial Paper	4,207,869	0	4,207,869
Repurchase Agreements	470,075	470,075	0
Mutual Funds	34,486	34,486	0
STAR Ohio	1,555,634	1,555,634	0
Total	$7,277,164	$2,060,195	$5,216,969

A significant portion of these investments are held by specific funds as presented below:

	Bond Retirement
Commercial Paper	$4,207,869

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless matched to a specific obligation or debt of the Career Center. The Treasurer is also restricted from purchasing investments that cannot be held until the maturity date.

Note 5 - Deposits and Investments (continued)

The investments in Federal Home Loan Mortgage Corporation notes carry a rating of Aaa by Moodys. The commercial paper carries a rating of Aaa by Moodys. The securities underlying the repurchase agreement (Government National Mortgage Association Bonds) carry a rating of AAA by Moodys. The mutual funds carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The Career Center has no policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that commercial paper must be rated in the highest qualification established by two nationally recognized standard rating services, repurchase agreements be limited to investments listed in items 1 and 2 on page 28, and no-load money market mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Career Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The repurchase agreements are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The Career Center has no investment policy dealing with custodial credit risk beyond the requirements of the State statute.

The Career Center places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each investment to the Career Center's total portfolio.

	Fair Value	Percentage of Portfolio
Federal Home Loan Mortgage Corporation Notes	$1,009,100	13.87%
Commercial Paper	4,207,869	57.82
Repurchase Agreements	470,075	6.46

Note 6 - Receivables

Receivables at June 30, 2008, consisted of accounts (student fees and billings for user charged services), accrued interest, intergovernmental, interfund, and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Note 6 - Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Charges for Services	$7,024
Miscellaneous	11,469
Total General Fund	18,493
Other Governmental Funds	
Adult Education	2,070
Career Education	36
Vocational Education	1,800
ABLE	3,464
Perkins	49,636
Title V	3,106
Drug Free	5,275
Title II A	11,393
Total Other Governmental Funds	76,780
Total Intergovernmental Receivables	$95,273

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 distributions are received by the Career Center in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the area served by the Career Center. Real property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien on December 31, 2006, were levied after April 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

<u>Note 7 - Property Taxes</u> (continued)

Tangible personal property tax revenues received in calendar year 2008 (other than public utility property) represent the collection of calendar year 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, for 2008 is 6.25 percent. This will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Career Center prior to June 30. For fiscal year 2008, the settlements from Fulton and Lucas Counties were delayed beyond fiscal year end.

The Career Center receives property taxes from Fulton, Hancock, Henry, Lucas, Ottawa, Sandusky, and Wood Counties. The County Auditors periodically advance to the Career Center its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2008, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the late personal property tax settlements, real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2008, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property settlements were levied to finance current fiscal year operations and are reflected 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, 2008, was $1,182,978 in the General Fund and $508,087 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 2007, was $671,026 in the General Fund and $289,660 in the Permanent Improvement capital projects fund.

The late tax settlements made by the counties for fiscal year 2008 were $43,372 in the General Fund and $19,715 in the Permanent Improvement capital projects fund. The late tax settlements made by the counties for fiscal year 2007 were $132,970 in the General Fund and $70,441 in the Permanent Improvement capital projects fund.

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

Note 7 - Property Taxes (continued)

The assessed values upon which fiscal year 2008 taxes were collected are:

	2007 Second-Half Collections		2008 First-Half Collections	
	Amount	Percent	Amount	Percent
Real	$5,417,974,690	91.46%	$5,536,781,020	94.53%
Public Utility	238,907,040	4.03	220,816,260	3.77
Tangible Personal	267,214,253	4.51	99,367,798	1.70
Total Assessed Value	$5,924,095,983	100.00%	$5,856,965,078	100.00%
Tax rate per $1,000 of assessed valuation	$3.20		$3.20	

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08
Governmental Activities				
Nondepreciable Capital Assets				
Land	$4,986,926	$0	($280,614)	$4,706,312
Construction in Progress	63,109,911	24,956,950	0	88,066,861
Total Nondepreciable Capital Assets	68,096,837	24,956,950	(280,614)	92,773,173
Depreciable Capital Assets				
Land Improvements	396,682	0	(396,682)	0
Buildings and Building Improvements	14,503,248	0	(14,483,595)	19,653
Furniture, Fixtures, and Equipment	3,058,984	368,008	(322,403)	3,104,589
Vehicles	953,684	63,873	0	1,017,557
Total Depreciable Capital Assets	18,912,598	431,881	(15,202,680)	4,141,799
Less Accumulated Depreciation				
Land Improvements	(353,946)	0	353,946	0
Buildings and Building Improvements	(10,750,356)	(1,314)	10,736,974	(14,696)
Furniture, Fixtures, and Equipment	(1,903,827)	(166,665)	222,984	(1,847,508)
Vehicles	(671,044)	(69,978)	0	(741,022)
Total Accumulated Depreciation	(13,679,173)	(237,957)	11,313,904	(2,603,226)
Depreciable Capital Assets, Net	5,233,425	193,924	(3,888,776)	1,538,573
Governmental Activities Capital Assets, Net	$73,330,262	$25,150,874	($4,169,390)	$94,311,746

Note 8 - Capital Assets (continued)

Prior to the end of fiscal year 2008, the Career Center sold its facility for $6,000,000; however, due to construction on the new facility not being completed, the purchaser of the old facility allowed the Career Center to continue to use the buildings until the new facility was completed. The Career Center moved into its new facility in August 2008.

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	$181,414
Support Services:	
Pupils	3,738
Instructional Staff	7,383
Administration	17,080
Operation and Maintenance of Plant	24,905
Central	724
Noninstructional Services	2,713
Total Depreciation Expense	$237,957

Note 9 - Interfund Assets/Liabilities

At June 30, 2008, the General Fund had an interfund receivable, in the amount of $114,773, from other governmental funds as a result of providing cash flow resources until the receipt of grant monies.

The Permanent Improvement capital projects fund had an interfund receivable, in the amount of $186,585, from the General Fund for revenues recorded in the General Fund and due to the Permanent Improvement capital projects fund.

Note 10 - Risk Management

The Career Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the Career Center contracted for the following insurance coverage.

Coverage provided by Ohio School Plan is as follows:	
General Liability	
Per Occurrence	$1,000,000
Aggregate	3,000,000
Excess Liability	2,000,000
Coverage provided by the Netherlands Insurance Company is as follows:	
Building	48,248,917
Computer Equipment	2,415,653
Computer Software	100,000
Automobile Liability	1,000,000

Note 10 - Risk Management (continued)

Settled claims have not exceeded this commercial coverage in any of the past three years, and, with the exception of builder's risk insurance, there has been no significant reduction in insurance coverage from the prior fiscal year. With construction coming to a close, the builder's risk insurance was discontinued.

For fiscal year 2008, the Career Center participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverages and deductibles selected by the participant.

The Career Center participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participant's claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the Plan.

The Career Center participates in the Wood County Insurance Consortium (WCIC), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, the Career Center, and an educational service center. The Career Center pays monthly premiums to the WCIC for employee medical and dental benefits. Upon withdrawal from the WCIC, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

Note 11 - Contractual Obligations

As of June 30, 2008, the Career Center had contractual commitments as follows:

Company	Project	Amount Remaining on Contract
TCI/TMP	Architect and Engineering	$173,030
Rudoph/Libbe, Inc.	Construction Manager	814,468
Border Fire Protection	Fire Protection	27,596
Great Lakes Hotel Supply	Food Service Equipment	2,545
Garner Corporation	Concrete Work	16,306
H.E.A.T.	Temperature Control	35,756
Enviro-Aire	Testing	25,685
Retzke Snyder	Electrical	251,455
TTL Associates, Inc.	Soil Testing	15,150
Dimech Services, Inc.	Plumbing	9,465

(continued)

Note 11 - Contractual Obligations (continued)

Company	Project	Amount Remaining on Contract
Hagerman Construction	Masonry	$35,063
Industrial Power System	Heating and Air Conditioning	15,978
Miller Brothers Construction	Site Preparation	44,680
Miller Brothers Construction	Sitework	833,131
Ohio Steel Industries	Steel	42,760
Retzke Snyder	Technology Infrastructure	54,273
Mosser Construction, Inc.	General Trades	164,309
National Precast	Precast Concrete	17,058
American Interiors	Furniture	37,144
Continental Office	Furniture	285,945
Corporate Express	Furniture	383,863
E-Quip	Furniture	668,625
Folding Equipment Co.	Furniture	60,548
Library Design	Furniture	126,807
McNearny Companies	Furniture	103,098
NBS	Furniture	803,759
SBD Commercial Int	Furniture	139,618

Note 12 - Defined Benefit Pension Plans

A. State Teachers Retirement System

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

Note 12 - Defined Benefit Pension Plans (continued)

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

A DBP or CP 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 DCP who become disabled are entitled only to their account balance. If a member of the DCP 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, 2008, plan members were required to contribute 10 percent of their annual covered salary. The Career Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the STRS Ohio Board upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Career Center's required contribution for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 was $1,859,260, $1,783,020, and $1,560,612 respectively; 90 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DCP and CP for fiscal year 2008 were $7,992 made by the Career Center and $30,935 made by the plan members.

B. School Employees Retirement System

Plan Description - The Career Center contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer public employee retirement plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a stand-alone financial report that may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Note 12 - Defined Benefit Pension Plans (continued)

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salary and the Career Center was required to contribute at an actuarially determined rate. The current Career Center rate is 14 percent of annual covered payroll. A portion of the Career Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Career Center's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 was $300,687, $325,427, and $209,028 respectively; 94 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2008, three of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 13 - Postemployment Benefits

A. State Teachers Retirement System

Plan Description - The Career Center contributes to a cost-sharing multiple-employer defined benefit Health Care 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 STRS Ohio's financial report which may be obtained by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Health Care 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 Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Career Center's contribution for health care for the fiscal years ended June 30, 2008, 2007, and 2006 was $143,635, $137,711, and $120,981 respectively; 90 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 13 - Postemployment Benefits (continued)

B. School Employees Retirement System

Plan Description - The Career Center contributes to two cost-sharing multiple-employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for classified 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 SERS 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 the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For fiscal year 2008, 4.18 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 fiscal year 2008, this amount was $175,528.

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 contribution for health care for the fiscal years ended June 30, 2008, 2007, and 2006 was $137,213, $108,042, and $72,946 respectively; 94 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2008, this actuarially required allocation was .66 percent of covered payroll. The Career Center's contribution for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 was $21,665, $22,129, and $16,637 respectively; 94 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 14 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Administrators earn twenty-one days of vacation per year. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Note 14 - Other Employee Benefits (continued)

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty-five days for all employees. Upon retirement, with ten consecutive years of service with the Career Center, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of seventy-one and one-fourth days.

B. Health Care Benefits

The Career Center offers employee medical and dental benefits through the Wood County Insurance Consortium. The employees share the cost of the monthly premium with the Board. The premium varies with each employee depending on the terms of the union contract. The Career Center provides life insurance and accidental death and dismemberment insurance to most employees through Minnesota Life. Vision coverage is provided through Vision Service Plan.

C. Separation Benefits

The Career Center provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System, that has ten years of service with the Career Center, will be paid $1,500 if notification of pending retirement is submitted in writing to the Superintendent no later than March 1 for retirement effective at the end of the current school year or prior to the following school year. During fiscal year 2008, there was an addition to separation benefits of $1,500 and an amount paid of $6,000. The liability for separation benefits at June 30 was $1,500.

Note 15 - Notes Payable

A summary of the note transactions for the fiscal year ended June 30, 2008, is as follows:

	Interest Rate	Balance at 6/30/2007	Additions	Reductions	Balance at 6/30/2008
Governmental Activities					
Tax Anticipation Notes					
March 1, 2007	4.25%	$12,500,000	$0	$12,500,000	$0
February 27, 2008	4.25	0	11,000,000	0	11,000,000
Total Governmental Activities		$12,500,000	$11,000,000	$12,500,000	$11,000,000

The Career Center issued Capital Facility tax anticipation notes, in the amount of $11,000,000, to partially retire notes previously issued to construct a new campus. The tax anticipation notes were issued on February 27, 2008, with an interest rate of 4.25 percent, for one year. The notes will be paid with a 1 mill property tax levy.

Note 16 - Long-Term Obligations

Changes in the Career Center's long-term obligations during fiscal year 2008 were as follows:

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08	Amounts Due Within One Year
General Long-Term Obligations					
2002 Land Acquisition Bonds 2.5 - 5.25%	$1,945,000	$0	$355,000	$1,590,000	$370,000
2004 Certificates of Participation 1.4 - 5%	61,440,000	0	1,250,000	60,190,000	1,300,000
Premium on Certificates of Participation	859,354	0	17,749	841,605	0
Total General Long-Term Obligations	64,244,354	0	1,622,749	62,621,605	1,670,000
Compensated Absences Payable	2,406,160	513,423	169,790	2,749,793	203,201
Total Governmental Activities Long-Term Obligations	$66,650,514	$513,423	$1,792,539	$65,371,398	$1,873,201

Land Acquisition General Obligation Bonds - In fiscal year 2002, the Career Center issued $3,500,000 in unvoted general obligation bonds to acquire land. The bonds were issued for a nine year period, with final maturity on December 1, 2011. The bonds are being retired from the Permanent Improvement capital projects fund with transfers from the General Fund.

Certificates of Participation - On March 1, 2004, the Career Center entered into a lease agreement with the Agricultural Incubator Foundation for constructing, equipping, and furnishing a new campus facility. The Agricultural Incubator Foundation entered into an agreement with a trustee through which it assigned and transferred its rights, title, and interest under the lease to Huntington Bank as Trustee. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semiannual lease payments. Proceeds from the issuance of the Certificates will be used to construct the new campus.

Terms of the trust indenture required a portion of the proceeds to be set aside for certificate payments equal to the amount due in the first fiscal year. The current certificate payment account is used to account for resources accumulated for payment over the next twelve months. The reserve account is used solely to make rent payments if a deficiency exists in the current certificate payment account and, if all payments are current, to make payment of the last certificate payment.

The obligation of the Career Center under the lease and any subsequent lease renewal is subject to the annual appropriation of the rental payments. Legal title to the facilities remains with the trustee until all payments required under the lease have been made. At that time, title will be transferred to the Career Center. In the event the Career Center defaults on the lease, after thirty days the lessor may lease the campus to a new tenant. Under terms of the lease agreement, the Career Center may not lease, acquire, or allocate funds to acquire functionally similar facilities for thirty days after default. The lease obligation will be paid from a one mill permanent improvement property tax levy.

The Certificates of Participation are not a general obligation of the Career Center and are payable only from appropriations by the Career Center for annual lease payments.

Note 16 - Long-Term Obligations (continued)

Compensated absences will be paid from the General Fund and the Food Service and Adult Education special revenue funds.

The Career Center's overall debt margin was $497,029,810 with an unvoted debt margin of $3,950,220 at June 30, 2008.

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2008, were as follows:

Fiscal Year Ending	Land Acquisition Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2009	$370,000	$64,223	$1,300,000	$2,715,306
2010	390,000	45,930	1,330,000	2,684,431
2011	405,000	28,238	1,395,000	2,617,931
2012	425,000	9,562	1,455,000	2,558,644
2013	0	0	1,500,000	2,513,175
2014-2018	0	0	8,455,000	11,612,413
2019-2023	0	0	10,685,000	9,382,025
2024-2028	0	0	13,385,000	6,692,138
2029-2033	0	0	16,845,000	3,230,000
2034	0	0	3,840,000	172,800
Totals	$1,590,000	$147,953	$60,190,000	$44,178,863

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 fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years.

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital improvements during fiscal year 2008.

	Textbooks	Capital Improvements
Balance June 30, 2007	$0	$0
Current Year Set Aside Requirement	284,606	284,606
Qualifying Expenditures	(284,606)	(260,682)
Current Year Offsets	0	(23,924)
Balance June 30, 2008	$0	$0

Note 17 - Set Asides (continued)

The Career Center limited qualifying expenditures during the fiscal year to the amount needed to reduce the setaside amount to zero. Although the Career Center had additional qualifying expenditures, the Career Center did not want to use this amount to reduce the set aside requirement of future fiscal years.

Note 18 - Interfund Transfers

During fiscal year 2008, the General Fund made transfers to the Permanent Improvement capital projects fund, in the amount of $1,200,000, to pay principal and interest on the land acquisition general obligation bonds. The General Fund also made transfers to other governmental funds, in the amount of $153,143, to subsidize the operations of food service and adult education.

The Permanent Improvement capital projects fund made transfers to the Bond Retirement debt service fund and the Building capital projects fund, in the amount of $3,778,219 and $6,526,823, respectively, to pay principal and interest on the certificates of participation and pay on the Career Center's share of the construction costs.

The Building capital projects fund made transfers to the Bond Retirement debt service fund, in the amount of $202,252, to pay principal and interest on the certificates of participation.

Note 19 - Jointly Governed Organizations

A. Northwest Ohio Computer Association

The Career Center is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities.

The NWOCA Assembly consists of a superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the Governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2008, the Career Center paid $79,062 to NWOCA for various services. Financial information can be obtained from the Northern Buckeye Education Council, 22-900 State Route 34, Archbold, Ohio 43502.

Note 19 - Jointly Governed Organizations (continued)

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among educational entities located in Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the six counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Education Council, 22-900 State Route 34, Archbold, Ohio 43502.

Note 20 - Insurance Pools

A. Ohio School Plan

The Career Center participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, and a member of the Harcum-Schuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Schuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from the Harcum-Schuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

B. Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan

The Career Center participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The OASBO Workers' Compensation Group Rating Plan (Plan) was established through the Ohio Association of School Business Officials as an insurance purchasing pool. The Plan's business and affairs are conducted by a five member OASBO Board of Directors. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

C. Wood County Insurance Consortium

The Wood County Insurance Consortium (WCIC) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, the Career Center, and an educational service center. WCIC is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. Each participating entity's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the WCIC.

Note 20 - Insurance Pools (continued)

Each entity decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the WCIC is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information may be obtained from Medical Mutual of Ohio, 3737 Sylvania Avenue, Toledo, Ohio 43623.

Note 21 - Contingencies

A. Grants

The Career Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Career Center at June 30, 2008.

B. Litigation

There are currently no matters in litigation with the Career Center as defendant.

Penta Career Center

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

General Fund

For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues				
Property Taxes	$11,631,722	$11,683,765	$11,053,748	($630,017)
Intergovernmental	11,640,453	13,609,098	13,620,633	11,535
Interest	300,000	300,000	377,159	77,159
Tuition and Fees	191,675	194,675	200,600	5,925
Charges for Services	219,700	240,525	290,421	49,896
Extracurricular Activities	16,000	12,800	13,839	1,039
Gifts and Donations	103,300	302,675	302,910	235
Miscellaneous	45,000	45,000	43,582	(1,418)
Total Revenues	24,147,850	26,388,538	25,902,892	(485,646)
Expenditures				
Current:				
Instruction:				
Special	1,157,670	1,157,670	1,143,405	(14,265)
Vocational	16,019,309	15,075,558	14,571,129	(504,429)
Adult/Continuing	266	12,278	12,278	0
Support Services:				
Pupils	2,375,932	2,363,921	2,281,930	(81,991)
Instructional Staff	2,042,107	2,042,107	2,000,321	(41,786)
Board of Education	84,775	84,775	54,652	(30,123)
Administration	986,461	986,461	942,796	(43,665)
Fiscal	555,704	555,704	544,824	(10,880)
Operation and Maintenance of Plant	3,053,454	3,053,454	2,777,869	(275,585)
Central	415,934	415,934	322,730	(93,204)
Noninstructional Services	340,251	340,251	255,944	(84,307)
Extracurricular Activities	156,276	156,276	143,476	(12,800)
Total Expenditures	27,188,139	26,244,389	25,051,354	(1,193,035)
Excess of Revenues Over (Under) Expenditures	(3,040,289)	144,149	851,538	707,389
Other Financing Sources (Uses)				
Other Financing Uses	(200,000)	(200,000)	0	(200,000)
Advances In	90,758	90,758	90,758	0
Advances Out	(106,270)	(124,999)	(114,773)	(10,226)
Transfers Out	(300,000)	(1,500,000)	(1,353,143)	(146,857)
Total Other Financing Sources (Uses)	(515,512)	(1,734,241)	(1,377,158)	(357,083)
Changes in Fund Balance	(3,555,801)	(1,590,092)	(525,620)	1,064,472
Fund Balance at Beginning of Year	3,204,065	3,204,065	3,204,065	0
Prior Year Encumbrances Appropriated	768,520	768,520	768,520	0
Fund Balance at End of Year	$416,784	$2,382,493	$3,446,965	$1,064,472

See accompanying notes to the schedule

Notes:

While the Career Center is reporting financial position, results of operations, and changes in fund balances 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 for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are as follows:

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

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance

GAAP Basis	$1,186,075
Increase (Decrease) Due To:	
Revenue Accruals:	
Accrued FY 2007, Received in Cash FY 2008	639,988
Accrued FY 2008, Not Yet Received in Cash	(1,082,637)
Expenditure Accruals:	
Accrued FY 2007, Paid in Cash FY 2008	(2,305,152)
Accrued FY 2008, Not Yet Paid in Cash	2,214,644
Change in Fair Value	
Beginning of Year	(11,246)
End of Year	(19,520)
Prepaid Items	21,030
Advances In	90,758
Advances Out	(114,773)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(1,144,787)
Budget Basis	($525,620)

PENTA CAREER CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (ACCRUAL BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass – Through Grantor/ Program Title	Grantor Number	CFDA Number	Award Amount	Grant Receipts	Non-Cash Receipts	Grant Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF EDUCATION							
Pell Grant	1340946365AI	84.063	$ 159,964	$ 159,964	$ -0-	$ 159,964	$ -0-
Supplemental Education Opportunity Grant		84.007	4,891	4,891	-0-	4,891	-0-
Pass through Ohio Department of Education							
VEA-II Funds (Secondary)	CP II-S08	84.048	373,867	324,231	-0-	373,867	-0-
VEA-II Funds (Adult)	CP II-A08	84.048	54,663	54,663	-0-	54,663	-0-
VEA-II Funds (Secondary)	CP II-S07	84.048	434,188	83,734	-0-	-0-	-0-
VEA-II Funds (Adult)	CP II-A07	84.048	54,425	378	-0-	-0-	-0-
VEA-II Funds (Stem)	VECP-Stem-08-051359	84.048	90,445	49,572	-0-	90,445	-0-
			1,007,588	512,578	-0-	518,975	-0-
Adult Basic Education – FY 2008	AB-S1-08	84.002	182,908	118,200	-0-	118,200	-0-
Adult Basic Education – FY 2007	AB-S1-07	84.002	204,293	2,437	-0-	-0-	-0-
			387,201	120,637	-0-	118,200	-0-
Title IV-A – Safe and Drug Free Schools	051359-DRS1-2008	84.186	5,861	586	-0-	5,861	-0-
Title V – Innovative Education	051359-C2S1-2008	84.298	7,036	3,930	-0-	7,036	-0-
Title II-A – Improving Teacher Quality	051359-TRS1-2008	84.367	12,659	1,266	-0-	12,659	-0-
Title II-A – Improving Teacher Quality	051359-TRS1-2007	84.367	11,552	23	-0-	-0-	-0-
			24,211	1,289	-0-	12,659	-0-
TOTAL DEPARTMENT OF EDUCATION			1,596,752	803,875	-0-	827,586	-0-
U.S. DEPARTMENT OF AGRICULTURE							
Pass through Ohio Department of Education							
Food Distribution Program	Nutrition Cluster	10.550	31,740	-0-	31,740	-0-	31,740
National School Breakfast Program	Nutrition Cluster	10.553	19,257	19,257	-0-	19,257	-0-
National School Lunch Program	Nutrition Cluster	10.555	134,501	134,501	-0-	134,501	-0-
TOTAL DEPARTMENT OF AGRICULTURE			185,498	153,758	31,740	153,758	31,740
TOTAL RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS			$1,782,250	$957,633	$31,740	$981,344	$31,740

NOTE – Food Distribution

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Penta Career Center
9301 Buck Road
Perrysburg, OH 43551

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Penta Career Center ("Career Center"), as of and for the year ended June 30, 2008, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated June 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Career Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Career Center's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Career Center's internal control.

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

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Board of Education
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Career Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Career Center in a separate letter dated June 26, 2009.

This report is intended solely for the information and use of the Career Center's Board of Education and management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Weber O'Brien Ltd.

June 26, 2009

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

Board of Education
Penta Career Center
9301 Buck Road
Perrysburg, OH 43551

Compliance

We have audited the compliance of Penta Career Center ("Career Center"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. The Career Center's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Career Center's management. Our responsibility is to express an opinion on the Career Center's compliance based on our audit.

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

In our opinion, the Career Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information of and use of the Career Center's Board of Education and management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wilson O'Brien Ltd.

June 26, 2009

PENTA CAREER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:		Unqualified
Internal control over financial reporting:		
Material weakness(es) identified?	____yes	X no
Reportable condition(s) identified not considered to be material weaknesses?	____yes	X none reported
Noncompliance material to financial statements noted?	____yes	X no

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	____yes	X no
Reportable conditions(s) identified not considered to be material weaknesses?	____yes	X none reported
Type of auditors' report issued on compliance for major programs:		Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	____yes	X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.048	Vocational Education Basic Grant

Dollar threshold used to distinguish between Type A and Type B programs:		$300,000
Auditee qualified as low risk auditee?	X yes	____No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

PENTA CAREER CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2008

NONE

Mary Taylor, CPA
Auditor of State

PENTA CAREER CENTER

WOOD 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
SEPTEMBER 3, 2009

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