

Apollo Career Center

Allen County

Single Audit

July 1, 2008 through June 30, 2009

Fiscal Year Audited Under GAGAS: 2009



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Board of Education
Apollo Career Center
3323 Shawnee Road
Lima, Ohio 45806-1497

We have reviewed the *Independent Auditor's Report* of the Apollo Career Center, Allen County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2008 through June 30, 2009. 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 Apollo Career Center is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 12, 2010

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Apollo Career Center
Allen County, Ohio

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Independent Auditor's Report

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

To the Board of Education:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.

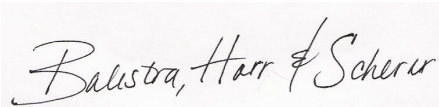
Ohio Administrative Code § 117-2-03 (B) requires the Career Center to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the modified-cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified-cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Career Center, as of June 30, 2009, and the respective changes in modified-cash basis financial position and the respective budgetary comparison for the General and Adult Education funds thereof, for the year then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009, on our consideration of the Career Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The management discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

November 20, 2009

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

The discussion and analysis of Apollo Career Center's financial performance provides an overall review of the Career Center's financial activities for the fiscal year ended June 30, 2009, within the limitations of modified-cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Career Center's financial performance.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Career Center's modified-cash basis of accounting.

The Career Center has elected to present its financial statements on a modified-cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing receipts, disbursements, and the related assets and liabilities. Under the Career Center's modified-cash basis of accounting, receipts and disbursements and the related assets and liabilities are recorded when they result in cash transactions.

As a result of using the modified-cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified-cash basis of accounting.

The statement of net assets and the statement of activities provide information about the cash activities of the whole 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 as well as what remains for future spending. The fund financial statements also look at the Career Center's most significant funds, with all other nonmajor funds presented in total in a single column. For Apollo Career Center, the General Fund, Adult Education special revenue fund, and Permanent Improvement capital projects fund are the most significant 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 2009, within the limitations of modified-cash basis accounting. The statement of net assets presents the cash balance of the governmental activities of the Career Center at fiscal year end. The statement of activities compares cash disbursements with program receipts for each function or program of the Career Center's governmental activities. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Career Center is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Career Center's general receipts.

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

These statements report the Career Center's cash position and the changes in cash position. Factors which contribute to these changes may include the Career Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, all of the Career Center's activities are presented as governmental activities. All of the Career Center's programs and services are reported here including instruction, support services, noninstructional services, extracurricular activities, capital outlay, and debt service disbursements.

Reporting the Career Center's Most Significant Funds

Fund financial statements provide detailed information about the Career Center's major funds. While the Career Center uses many funds to account for its financial transactions, the fund financial statements focus on the Career Center's most significant funds. The Career Center's major governmental funds are the General Fund, Adult Education special revenue fund, and Permanent Improvement capital projects fund.

Governmental Funds - All of the Career Center's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using the modified-cash basis of accounting. The governmental fund financial statements provide a detailed short-term view of the Career Center's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

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.

The Career Center as a Whole

Table 1 provides a summary of the Career Center's net assets for fiscal years 2009 and 2008:

Table 1 Governmental Activities Net Assets			
	2009	2008	Change
<u>Assets:</u>			
Cash, Cash Equivalents, and Investments	\$6,347,800	\$5,311,369	\$1,036,431
<u>Net Assets:</u>			
Restricted	1,651,729	920,184	731,656
Unrestricted	4,696,071	4,391,185	304,886
Total Net Assets	\$6,347,800	\$5,311,369	\$1,036,431

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

Total net assets increased \$1,036,431, or almost 20 percent. This increase was the result of an increase in charges for services receipts and additional State foundation resources in fiscal year 2009. The increase in restricted net assets was due to tuition and fees and operating grants associated with the adult education program in excess of disbursements as well as from a transfer of unrestricted resources. Unrestricted net assets increased from operating receipts being greater than operating disbursements.

Table 2 reflects the change in net assets for fiscal years 2009 and 2008.

Table 2
Change in Net Assets

	2009	2008	Change
<u>Receipts:</u>			
Program Receipts			
Charges for Services	\$3,970,481	\$3,355,510	\$614,971
Operating Grants, Contributions, and Interest	2,957,293	2,935,277	22,016
Total Program Receipts	<u>6,927,774</u>	<u>6,290,787</u>	<u>636,987</u>
General Receipts			
Property Taxes Levied for General Purposes	3,156,792	3,115,669	41,123
Property Taxes Levied for Permanent Improvements	699,539	698,778	761
Grants and Entitlements	4,396,726	3,931,480	465,246
Interest	191,940	246,702	(54,762)
Miscellaneous	259,558	314,726	(55,168)
Total General Receipts	<u>8,704,555</u>	<u>8,307,355</u>	<u>397,200</u>
Total Receipts	<u>15,632,329</u>	<u>14,598,142</u>	<u>1,034,187</u>
<u>Disbursements:</u>			
Instruction:			
Regular	369,599	387,523	17,924
Special	128,993	117,058	(11,935)
Vocational	5,925,631	5,625,119	(300,512)
Adult/Continuing	2,090,698	2,274,259	183,561
Support Services:			
Pupils	682,001	591,655	(90,346)
Instructional Staff	1,271,548	1,212,740	(58,808)
Board of Education	49,270	48,175	(1,095)
Administration	834,113	794,658	(39,455)
Fiscal	459,867	440,821	(19,046)
Operation and Maintenance of Plant	1,099,802	1,053,839	(45,963)
Pupil Transportation	14,913	15,363	450
Central	374,918	409,057	34,139

(continued)

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

Table 2
Change in Net Assets
(continued)

	2009	2008	Change
<u>Disbursements:</u> (continued)			
Noninstructional Services	\$311,469	\$293,890	(\$17,579)
Extracurricular Activities	20,291	14,241	(6,050)
Capital Outlay	802,281	1,747,815	945,534
Debt Service:			
Principal Retirement	160,504	133,837	(26,667)
Total Disbursements	<u>14,595,898</u>	<u>15,160,050</u>	<u>564,152</u>
Increase (Decrease) in Net Assets	1,036,431	(561,908)	1,598,339
Net Assets at Beginning of Year	<u>5,311,369</u>	<u>5,873,277</u>	<u>(561,908)</u>
Net Assets at End of Year	<u><u>\$6,347,800</u></u>	<u><u>\$5,311,369</u></u>	<u><u>\$1,036,431</u></u>

Program receipts are primarily represented by restricted intergovernmental receipts, charges for tuition, fees, customer services, and food service sales. Program receipts for charges for services increased 18 percent from the prior fiscal year. The increase resulted from the construction trades students constructing a house in fiscal year 2008 that was sold in fiscal year 2009, along with tuition rate increases for adult and continuing education students.

Property taxes and grants and entitlements basically make up the Career Center's general receipts. Other general receipts are generally immaterial and unpredictable. The most significant increase in general receipts was grants and entitlements from an increase in State foundation resources; there was an increase of thirty-six students and an increase, in the amount of \$167, in the per pupil rate.

The major program disbursements for governmental activities are for instruction, which accounts for 58 percent of all governmental disbursements. Disbursements associated with instruction increased in fiscal year 2009. The majority of the increase in the vocational instruction program was from salaries and fringes from the employment of two teachers and an overall wage increase. Costs in the adult and continuing education instruction program decreased; severance for a retiring teacher was paid in fiscal year 2008 and the teacher was replaced at a lower salary. In addition, there was a decrease in costs related to the construction of the truck driving academy building.

The pupil support services program disbursements increased from hiring a guidance counselor.

During fiscal year 2008, the Career Center purchased paper stock for catalogs and brochures in June for the following fiscal year. Therefore, disbursements for the central support services program decreased.

Capital outlay disbursements decreased significantly. In fiscal year 2008, the Career Center completed construction of a truck driving academy center and purchased a significant amount of vocational and educational equipment.

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

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 receipts and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
Instruction:				
Regular	\$369,599	\$387,523	\$342,517	\$374,602
Special	128,993	117,058	(257,768)	(292,236)
Vocational	5,925,631	5,625,119	2,742,147	2,839,551
Adult/Continuing	2,090,698	2,274,259	(906,832)	(491,426)
Support Services:				
Pupils	682,001	591,655	677,001	586,655
Instructional Staff	1,271,548	1,212,740	1,271,548	1,212,740
Board of Education	49,270	48,175	49,270	48,175
Administration	834,113	794,658	834,113	794,658
Fiscal	459,867	440,821	459,867	440,821
Operation and Maintenance of Plant	1,099,802	1,053,839	1,099,802	1,053,839
Pupil Transportation	14,913	15,363	14,913	15,363
Central	374,918	409,057	374,918	406,057
Noninstructional Services	311,469	293,890	(16,448)	(15,429)
Extracurricular Activities	20,291	14,241	20,291	14,241
Capital Outlay	802,281	1,747,815	802,281	1,747,815
Debt Service:				
Principal Retirement	160,504	133,837	160,504	133,837
Total Disbursements	<u>\$14,595,898</u>	<u>\$15,160,050</u>	<u>\$7,668,124</u>	<u>\$8,869,263</u>

Program receipts provided for 23 percent of instruction costs in fiscal year 2009, slightly lower than fiscal year 2008. The special and adult/continuing programs were fully funded through program receipts. This is the result of operating grants restricted for special instruction purposes and customer charges for adult/continuing instruction purposes. The vocational instruction program decreased its dependence on general receipts in fiscal year 2009 from the sale of a house constructed by the students in fiscal year 2008.

Noninstructional services includes food service activities. All noninstructional services were covered by program receipts for fiscal year 2008 and 2009. This is primarily due to cafeteria sales and state and federal subsidies for food service.

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

The Career Center's Funds

The Career Center's governmental funds are accounted for using the modified-cash basis of accounting. Receipts within the General Fund increased almost 9 percent in fiscal year 2009. Receipts from State foundation resources and tuition and fees increased from an increase in the number of students. Charges for services also increased from the student-built house being sold. Disbursements increased almost 5 percent, generally from wage and step increases.

Fund balance in the Adult Education special revenue fund increased over 63 percent due to the increase in tuition and fees and a reduction of costs.

Fund balance in the Permanent Improvement capital projects fund increased significantly from a transfer from the General Fund.

Budgeting Highlights

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

During fiscal year 2009, the Career Center amended its General Fund budget as needed. Changes from both the original budget to the final budget and from the final budget to actual receipts were not significant. The same can be said for disbursements.

Although the financial statements present negative variances between actual disbursements and final budgeted amounts on the function level, the Career Center was in budgetary compliance on the fund level.

Debt Administration

Debt

At June 30, 2009, the Career Center's outstanding debt consisted of interest free loans for the construction of additions to the facilities, in the amount of \$1,070,703. For further information regarding the Career Center's debt, refer to Note 12 to the basic financial statements.

Current Issues

For fiscal year 2010, the Career Center's five-year forecast reflects increases in all categories of disbursements within the General Fund with a 3 percent increase in salaries based on negotiated agreements, a 12 percent increase in fringe benefits due to health care costs, a 7 percent increase in purchased services, and a 4 percent increase in materials and supplies. The increases in purchased services and materials and supplies are inflationary increases. However, receipts for the General Fund are forecasted to decrease. Based on the five-year forecast, the Career Center does not expect a significant excess of receipts over disbursements at June 30, 2010.

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

Contacting the Career Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Career Center's finances and to reflect the Career Center's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Greg Bukowski, Treasurer, Apollo Career Center, 3325 Shawnee Road, Lima, Ohio 45806-1497.

Apollo Career Center
Statement of Net Assets - Modified-Cash Basis
June 30, 2009

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash, Cash Equivalents, and Investments	<u>\$6,347,800</u>
<u>Net Assets:</u>	
Restricted for:	
Capital Projects	\$1,049,021
Other Purposes	602,708
Unrestricted	<u>4,696,071</u>
Total Net Assets	<u>\$6,347,800</u>

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Activities - Modified-Cash Basis
For the Fiscal Year Ended June 30, 2009

	<u>Program Cash Receipts</u>			Net (Disbursement) Receipt and Change in Net Assets
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions, and Interest</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$369,599	\$27,082	\$0	(\$342,517)
Special	128,993	0	386,761	257,768
Vocational	5,925,631	1,171,445	2,012,039	(2,742,147)
Adult/Continuing	2,090,698	2,554,743	442,787	906,832
Support Services:				
Pupils	682,001	0	5,000	(677,001)
Instructional Staff	1,271,548	0	0	(1,271,548)
Board of Education	49,270	0	0	(49,270)
Administration	834,113	0	0	(834,113)
Fiscal	459,867	0	0	(459,867)
Operation and Maintenance of Plant	1,099,802	0	0	(1,099,802)
Pupil Transportation	14,913	0	0	(14,913)
Central	374,918	0	0	(374,918)
Noninstructional Services	311,469	217,211	110,706	16,448
Extracurricular Activities	20,291	0	0	(20,291)
Capital Outlay	802,281	0	0	(802,281)
Debt Service:				
Principal Retirement	160,504	0	0	(160,504)
Total Governmental Activities	<u>\$14,595,898</u>	<u>\$3,970,481</u>	<u>\$2,957,293</u>	<u>(7,668,124)</u>
<u>General Receipts:</u>				
Property Taxes Levied for:				
General Purposes				3,156,792
Permanent Improvements				699,539
Grants and Entitlements not Restricted to Specific Programs				4,396,726
Interest				191,940
Miscellaneous				259,558
Total General Receipts				<u>8,704,555</u>
Change in Net Assets				1,036,431
Net Assets at Beginning of Year				<u>5,311,369</u>
Net Assets at End of Year				<u><u>\$6,347,800</u></u>

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Assets and Fund Balances - Modified-Cash Basis
Governmental Funds
June 30, 2009

	General	Adult Education	Permanent Improvement	Other Governmental	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$4,621,704	\$532,965	\$1,049,021	\$144,110	\$6,347,800
<u>Fund Balances:</u>					
Reserved for Encumbrances	\$679,918	\$258,860	\$300,977	\$5,223	\$1,244,978
Unreserved, Designated for Termination Benefits	0	0	0	184,613	184,613
Unreserved, Reported in:					
General Fund	3,941,786	0	0	0	3,941,786
Special Revenue Funds (Deficit)	0	274,105	0	(45,726)	228,379
Capital Projects Fund	0	0	748,044	0	748,044
Total Fund Balances	\$4,621,704	\$532,965	\$1,049,021	\$144,110	\$6,347,800

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances - Modified-Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Adult Education	Permanent Improvement	Other Governmental	Total Governmental Funds
<u>Receipts:</u>					
Property Taxes	\$3,156,792	\$0	\$699,539	\$0	\$3,856,331
Intergovernmental	6,260,307	342,060	215,383	530,340	7,348,090
Interest	191,940	5,183	0	746	197,869
Tuition and Fees	866,689	2,554,743	0	0	3,421,432
Charges for Services	331,838	0	0	217,211	549,049
Miscellaneous	180,902	44,491	75,275	8,890	309,558
Total Receipts	10,988,468	2,946,477	990,197	757,187	15,682,329
<u>Disbursements:</u>					
Current:					
Instruction:					
Regular	369,599	0	0	0	369,599
Special	128,993	0	0	0	128,993
Vocational	5,713,849	0	9,475	202,307	5,925,631
Adult/Continuing	0	2,051,787	0	38,911	2,090,698
Support Services:					
Pupils	597,001	48,150	0	36,850	682,001
Instructional Staff	512,464	526,587	347	232,150	1,271,548
Board of Education	49,270	0	0	0	49,270
Administration	815,806	0	247	18,060	834,113
Fiscal	441,601	0	18,266	0	459,867
Operation and Maintenance of Plant	1,088,781	5,369	5,652	0	1,099,802
Pupil Transportation	14,913	0	0	0	14,913
Central	373,207	0	1,711	0	374,918
Non-Instructional Services	1,679	0	0	309,790	311,469
Extracurricular Activities	20,291	0	0	0	20,291
Capital Outlay	1,286	50,000	800,995	0	852,281
Debt Service:					
Principal Retirement	0	80,504	80,000	0	160,504
Total Disbursements	10,128,740	2,762,397	916,693	838,068	14,645,898
Excess of Receipts Over (Under) Disbursements	859,728	184,080	73,504	(80,881)	1,036,431
<u>Other Financing Sources (Uses):</u>					
Advances In	25,290	0	0	19,886	45,176
Advances Out	(19,886)	0	0	(25,290)	(45,176)
Transfers In	0	50,000	400,000	0	450,000
Transfers Out	(450,000)	0	0	0	(450,000)
Total Other Financing Sources (Uses)	(444,596)	50,000	400,000	(5,404)	0
Changes in Fund Balances	415,132	234,080	473,504	(86,285)	1,036,431
Fund Balances at Beginning of Year	4,206,572	298,885	575,517	230,395	5,311,369
Fund Balances at End of Year	\$4,621,704	\$532,965	\$1,049,021	\$144,110	\$6,347,800

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Receipts, Disbursements and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
<u>Receipts:</u>				
Property Taxes	\$3,037,300	\$3,037,300	\$3,156,792	\$119,492
Intergovernmental	6,161,296	6,161,296	6,260,307	99,011
Interest	140,100	140,000	191,940	51,940
Tuition and Fees	876,437	866,541	866,689	148
Charges for Services	305,600	285,600	331,838	46,238
Miscellaneous	136,400	136,500	180,902	44,402
Total Receipts	10,657,133	10,627,237	10,988,468	361,231
<u>Disbursements:</u>				
<u>Current:</u>				
<u>Instruction:</u>				
Regular	427,300	427,300	380,737	46,563
Special	134,300	134,300	132,660	1,640
Vocational	6,157,158	6,191,779	6,090,621	101,158
<u>Support Services:</u>				
Pupils	643,000	643,000	633,892	9,108
Instructional Staff	515,100	515,100	558,082	(42,982)
Board of Education	56,110	56,110	50,633	5,477
Administration	855,000	855,000	890,953	(35,953)
Fiscal	453,000	453,000	461,782	(8,782)
Operation and Maintenance of Plant	1,150,000	1,150,000	1,157,928	(7,928)
Pupil Transportation	17,000	17,000	18,244	(1,244)
Central	421,000	421,000	408,200	12,800
Non-Instructional Services	3,549	2,249	1,679	570
Extracurricular Activities	18,100	18,100	21,961	(3,861)
Capital Outlay	9,000	9,000	1,286	7,714
Total Disbursements	10,859,617	10,892,938	10,808,658	84,280
Excess of Receipts Over (Under) Disbursements	(202,484)	(265,701)	179,810	445,511
<u>Other Financing Sources (Uses):</u>				
Other Financing Uses	0	(2,000,000)	0	2,000,000
Sale of Capital Assets	1,500	1,500	0	(1,500)
Advances In	449,748	95,499	25,290	(70,209)
Advances Out	(468,797)	(139,048)	(19,886)	119,162
Transfers In	0	0	0	0
Transfers Out	(50,000)	(450,000)	(450,000)	0
Total Other Financing Sources (Uses)	(67,549)	(2,492,049)	(444,596)	2,047,453
Changes in Fund Balance	(270,033)	(2,757,750)	(264,786)	2,492,964
Fund Balance at Beginning of Year	3,875,177	3,875,177	3,875,177	0
Prior Year Encumbrances Appropriated	331,395	331,395	331,395	0
Fund Balance at End of Year	\$3,936,539	\$1,448,822	\$3,941,786	\$2,492,964

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Receipts, Disbursements and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Receipts:</u>				
Intergovernmental	\$359,257	\$359,257	\$342,060	(\$17,197)
Interest	5,457	5,458	5,183	(275)
Tuition and Fees	2,636,979	2,636,979	2,554,743	(82,236)
Miscellaneous	46,732	46,732	44,491	(2,241)
Total Receipts	3,048,425	3,048,426	2,946,477	(101,949)
<u>Disbursements:</u>				
Current:				
Instruction:				
Adult Education	2,281,261	2,281,261	2,229,995	51,266
Support Services:				
Pupils	58,273	58,273	64,266	(5,993)
Instructional Staff	589,080	689,080	591,123	97,957
Operation and Maintenance of Plant	7,000	7,000	5,369	1,631
Capital Outlay	25,000	25,000	50,000	(25,000)
Debt Service:				
Principal Retirement	80,504	80,504	80,504	0
Total Disbursements	3,041,118	3,141,118	3,021,257	119,861
Excess of Receipts Under Disbursements	7,307	(92,692)	(74,780)	17,912
<u>Other Financing Sources</u>				
Transfers In	0	0	50,000	50,000
Changes in Fund Balance	7,307	(92,692)	(24,780)	67,912
Fund Balance at Beginning of Year	101,270	101,270	101,270	0
Prior Year Encumbrances Appropriated	197,615	197,615	197,615	0
Fund Balance at End of Year	\$306,192	\$206,193	\$274,105	\$67,912

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Fiduciary Net Assets - Modified-Cash Basis
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$145,713	\$55,712
Investments	20,574	0
 Total Assets	 \$166,287	 \$55,712
 <u>Net Assets:</u>		
Endowments	\$31,026	\$0
Held in Trust for Scholarships	135,261	0
Held for Student Activities	0	55,294
Undistributed Monies	0	418
 Total Net Assets	 \$166,287	 \$55,712

See Accompanying Notes to Basic Financial Statements

Apollo Career Center
Statement of Changes in Fiduciary Net Assets - Modified-Cash Basis
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2009

<u>Additions:</u>	
Contributions	\$45,978
Interest	<u>(15,909)</u>
Total Additions	30,069
 <u>Deductions:</u>	
Non-Instructional Services	<u>33,184</u>
Change in Net Assets	(3,115)
Net Assets at Beginning of Year	<u>169,402</u>
Net Assets at End of Year	<u><u>\$166,287</u></u>

See Accompanying Notes to Basic Financial Statements

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

NOTE 1 - DESCRIPTION OF THE CAREER CENTER AND REPORTING ENTITY

Apollo Career Center (the “Career Center”) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating School District’s elected boards. 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 on February 12, 1973. The Career Center serves Allen, Auglaize, Hancock, Hardin, Putnam, and Van Wert counties. It is staffed by thirty-nine classified employees, eighty-four certified teaching personnel, and ten administrators who provide services to seven hundred seventy-nine students and other community members. The Career Center currently operates six 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. The primary government of the Career Center consists of all funds, departments, boards, and agencies that are not legally separate from the Career Center. For Apollo Career Center, this includes general operations, food service, and student related activities of the Career Center.

Component units are legally separate organizations for which the Career Center is financially accountable. The Career Center is financially accountable for an organization if the Career Center appoints a voting majority of the organization’s governing board and (1) the Career Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Career Center is legally entitled to or can otherwise access the organization’s resources; the Career Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Career Center is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Career Center in that the Career Center approves the budget, the issuance of debt, or the levying of taxes. The Career Center does not have any component units.

The Career Center participates in a jointly governed organization and three insurance pools. These organizations are the Northwest Ohio Area Computer Services Cooperative, Schools of Ohio Risk Sharing Authority, Allen County Schools Health Benefits Plan, and the Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on a modified-cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified-cash basis of accounting. Following are the more significant of the Career Center’s accounting policies.

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

A. Basis of Presentation

The Career Center's basic financial statements consist of government-wide 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 receipts) 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 cash balance of the governmental activities of the Career Center at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the Career Center's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Career Center is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Career Center's general receipts.

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.

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

Governmental Funds

The Career Center classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Career Center's major funds are the General Fund, Adult Education special revenue fund, and Permanent Improvement capital projects fund.

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

Adult Education Fund - The Adult Education special revenue fund is used to account for grants and tuition associated with providing education to adults.

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

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

Fiduciary Funds

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 School District's agency funds account for unallocated Pell grants and various noninstructional staff-related and student-managed activities.

C. Basis of Accounting

The Career Center's financial statements are prepared using the modified-cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Career Center's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. The modification from cash basis of accounting is that investments are reported on the statement of net assets.

As a result of the use of the modified-cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. 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 has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all 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.

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.

E. 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, Investments and Cash Equivalents".

During fiscal year 2009, the Career Center's investments included nonnegotiable certificates of deposit, negotiable certificates of deposit, repurchase agreements, federal agency securities, mutual funds, and STAR Ohio. 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, 2009.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 was \$191,940, which included \$36,109 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.

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

F. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

G. Compensated Absences

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the modified-cash basis of accounting used by the Career Center.

H. Long-Term Obligations

Modified-cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when disbursements are made.

I. Net 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, adult education programs, vocational programs, 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.

J. Fund Balance Reserves and Designations

The Career Center reserves those portions of fund balance which are legally segregated for a specific future use and not available for appropriation or disbursement. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

A designation of fund balance represents a self-imposed limitation on the use of available expendable resources by the Board of Education. The designation for termination benefits represents monies set aside by the Board for the future payment of those benefits.

K. 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.

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements 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 disbursements to the funds that initially paid for them are not presented on the financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2009, the Vocational Education special revenue fund had a deficit fund balance of \$110,246 resulting from negative cash balances. The General Fund provides transfers when cash is needed.

B. Compliance

Ohio Administrative Code Section 117-2-03 requires the Career Center to prepare its annual financial report in accordance with general accepted accounting principles. For fiscal year 2009, the Career Center prepared its financial report on the modified-cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This financial report omits assets, liabilities, fund equities and disclosures that, while material, cannot be determined at this time.

NOTE 4 - 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;

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

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);
8. Bankers' acceptances and commercial paper if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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, the Career Center's bank balance of \$1,767,769 was either covered by FDIC or collateralized by financial institution's public entity deposit pool in the manner described below.

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.

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

Investments

As of June 30, 2009, the Career Center had the following investments.

	Total	Less Than Six Months	Six Months to One Year	One Year to Two Years
Negotiable Certificates of Deposit	\$440,000	\$146,000	\$98,000	\$196,000
Repurchase Agreements	3,846,657	3,846,657	0	0
Federal Home Loan Bank Notes	498,690	170,368	328,322	0
Federal Home Loan Mortgage Corporation Notes	379,442	0	124,442	255,000
Federal National Mortgage Association Notes	130,000	0	0	130,000
Mutual Funds	25,033	25,033		
STAR Ohio	22,003	22,003	0	0
Total	<u>\$5,341,825</u>	<u>\$4,210,061</u>	<u>\$550,764</u>	<u>\$581,000</u>

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 they are 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.

The securities underlying the repurchase agreements (Federal Home Loan Mortgage Corporation Consolidated Mortgage Obligations and Federal Home Loan Bank Notes), Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, and Federal National Mortgage Association Notes, and the mutual funds carry a rating of Aaa by Moodys. The Washington Mutual Investment Fund is not rated and does not have a weighted average life to maturity due to the amount of equity securities that are included in the mutual funds. 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 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 and STAR Ohio 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. The Career Center has no investment policy dealing with custodial credit risk beyond the requirements of State statute.

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

The Career Center places no limit on the amount of its interim monies it may invest in a particular security. A portion of the mutual funds investments are restricted to the Apollo Educational Foundation special revenue fund, in the amount of \$20,604. The following table indicates the percentage of each investment to the Career Center's total portfolio.

	Carrying Value	Percentage of Portfolio
Repurchase Agreements	\$3,846,657	72.01%
Federal Home Loan Bank Notes	498,690	9.34
Federal Home Loan Mortgage Corporation Notes	379,442	7.10
Federal National Mortgage Association Notes	130,000	2.43

NOTE 5 - 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 within the area served by the Career Center. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, 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 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

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

The Career Center receives property taxes from Allen, Auglaize, Hancock, Hardin, Putnam, and Van Wert 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, 2009, 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.

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

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$1,413,169,970	70.40%	\$1,480,257,350	76.88%
Industrial/Commercial	364,853,980	18.18	365,948,510	19.01
Public Utility	75,967,290	3.78	79,125,830	4.11
Tangible Personal	153,426,627	7.64	0	0.00
Total Assessed Value	<u>\$2,007,417,867</u>	<u>100.00%</u>	<u>\$1,925,331,690</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$2.20		\$2.20	

NOTE 6 - INTERFUND BALANCES

At June 30, 2009, the General Fund had an unpaid interfund cash advance, in the amount of \$908, from cash flow resources provided to other governmental funds until the receipt of grant monies.

NOTE 7 - 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 2009, the Career Center contracted with the Schools of Ohio Risk Sharing Authority for the following insurance coverage:

Building and Contents - Replacement Cost	\$31,625,000
Automobile Liability	4,000,000
Excess Liability	3,000,000
General Liability	
Per Occurrence	4,000,000
Aggregate	6,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

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

In fiscal year 2009, the Career Center participated in the Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool. Each participant enters into an individual agreement with SORSA for insurance coverage and pays annual premiums to SORSA based on the types and limits of coverage and deductibles selected by the participant.

The Career Center participates in the Allen County Schools Health Benefits Plan (Plan), a public entity shared risk pool consisting of ten school districts and the Allen County Educational Service Center. The Career Center pays monthly premiums to the Plan for employee medical and dental benefits. The Plan is responsible for the management and operations of the program and the payment of claims. Upon withdrawal from the Plan, a participant is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

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.

NOTE 8 - CONTRACTUAL OBLIGATIONS

As of June 30, 2009, the Career Center had contractual commitments as follows:

Company	Project	Amount Remaining on Contract
Office World, Inc.	Equipment	\$17,540
Office World, Inc.	Network Equipment	20,386
Sidney Electric Company	Cabling and Networking	29,480
Airgas Great Lakes	Power Wave Welder	17,467
Smith Boughan, Inc.	Kitchen Boiler	17,800
Smith Boughan, Inc.	Air Conditioning	12,913
Hughes Plumbing and Heating	Sanitary Lines	16,367
Garmann Miller Architects	Chiller	5,531
Fritchie Asphalt and Paving	Front Lot	41,385
Master Seal Asphalt, Inc.	Seal Back Lot	16,307

NOTE 9 - 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.

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, 2009, 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. 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, 2009, 2008, and 2007 was \$812,258, \$790,872, and \$739,386 respectively; 81 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions for the DCP and CP for the fiscal year ended June 30, 2009, were \$23,692 made by the School District and \$40,476 made by 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.

Funding Policy - For the fiscal year ended June 30, 2009, 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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Career Center's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 was \$175,093, \$168,282, and \$159,623, respectively; 95 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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, 2009, four of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 10 - 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 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contribution for health care for the fiscal years ended June 30, 2009, 2008, and 2007 was \$64,304, \$62,349, and \$56,876 respectively; 81 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2009, the surcharge amount was \$27,628.

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, 2009, 2008, and 2007 was \$80,130, \$76,793, and \$52,995 respectively; 95 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2009, this actuarially required allocation was .75 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 was \$14,447, \$12,125, and \$10,854, respectively; 95 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty-four days of vacation per year, depending upon length of service. The Superintendent is entitled to thirty-six 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.

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 thirty days for all school personnel. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of fifty-seven days.

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

B. Employee Insurance Benefits

The Career Center offers employee medical and dental benefits through the Allen County Schools Health Benefits Plan. The employee pays 10 percent of the cost of the monthly premium. The premium varies with each employee depending on the terms of the union contract. The School District provides life insurance and accidental death and dismemberment insurance to all contract employees through CBA Benefit Services.

NOTE 12 - LONG-TERM OBLIGATIONS

The changes in the Career Center's long-term obligations during fiscal year 2009 were as follows:

	Balance at 6/30/08	Additions	Reductions	Balance at 6/30/09
Building Assistance Loans 0%	\$1,231,207	\$0	\$160,504	\$1,070,703

Building Assistance Loans - In March 2002, the Career Center obtained an interest-free loan for the construction of an adult education addition, in the amount of \$1,019,779. The loan was issued for a fifteen year period with final maturity in July 2017. The loan is being retired from the Adult Education special revenue fund.

In January 2003, the Career Center obtained an interest-free loan for the construction of an equipment building, in the amount of \$800,000. The loan was issued for a fifteen year period with final maturity in July 2018. The loan is being retired from the Permanent Improvement capital projects fund.

The Career Center's overall debt margin was \$165,168,896 with an unvoted debt margin of \$1,847,107 at June 30, 2009.

Principal requirements to retire the outstanding loans at June 30, 2009, were as follows:

Fiscal year Ending June 30,	Principal
2010	\$107,171
2011	133,838
2012	133,838
2013	133,838
2014	133,838
2015-2018	428,180
Total	\$1,070,703

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

NOTE 13 - SET ASIDE REQUIREMENTS

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 2009.

	Textbooks	Capital Improvements
Balance June 30, 2008	(\$1,071,463)	\$0
Current Year Set Aside Requirement	141,156	141,156
Qualifying Expenditures	(350,629)	0
Current Year Offsets	0	(141,156)
Amount Carried Forward to Fiscal Year 2010	(\$1,280,936)	\$0
Set Aside Reserve Balance June 30, 2009	\$0	\$0

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

NOTE 14 - INTERFUND TRANSFERS

During fiscal year 2009, the General Fund transferred \$50,000 to the Adult Education special revenue fund to subsidize the program and \$400,000 to the Permanent Improvement capital projects fund for future projects.

NOTE 15 - DONOR RESTRICTED ENDOWMENTS

The Career Center's private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$31,026, represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the Career Center is \$135,261 and is included as held in trust for scholarships. State law permits the Career Center to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowment indicates that the interest should be used to provide a scholarship each year.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of educational entities within the boundaries of Allen, Hancock, Mercer, Paulding, Putnam, and Van Wert Counties, and the Cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member educational entities within each county. During fiscal year 2009, the Career Center paid \$51,079 to NOACSC for various services. Financial information can be obtained from the Northwest Ohio Area Computer Services Cooperative, 645 South Main Street, Lima, Ohio 45804.

NOTE 17 - INSURANCE POOLS

A. Schools of Ohio Risk Sharing Authority

The Career Center participates in the Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. SORSA is an incorporated 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. SORSA's business and affairs are conducted by a board consisting of nine superintendents and treasurers, as well as an attorney, accountant, and four representatives from the pool's administrator, Willis Pooling. Willis Pooling is responsible for processing claims and establishing agreements between SORSA and its members. Financial information can be obtained from Willis Pooling, 655 Metro Place South, Dublin, Ohio 43017.

B. Allen County Schools Health Benefits Plan

The Career Center participates in the Allen County Schools Health Benefits Plan (Plan), a public entity shared risk pool consisting of the school districts within Allen County and the Allen County Educational Service Center. The Plan is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical and dental benefits to the employees of the participants. Each participant's superintendent is appointed to a Board of Directors which advises the Trustee, Allen County Educational Service Center, concerning aspects of the administration of the Plan.

Each participant decides which plans offered by the Board of Directors will be extended to its employees. Participation in the Plan is by written application subject to acceptance by the Board of Directors and payment of the monthly premiums. Financial information can be obtained from the Allen County Schools Health Benefits Plan, 204 North Main Street, Lima, Ohio 45801.

C. 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.

NOTE 18 - 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, 2009.

B. Litigation

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

Apollo Career Center
Allen County

Schedule of Federal Awards Receipts and Expenditures
For the Year Ended June 30, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through the Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
School Breakfast Program	05-PU	10.553	\$ 12,324	\$ -	\$ 12,324	\$ -
National School Lunch Program	LL-P4	10.555	94,725	17,115	94,725	17,115
Total - Nutrition Cluster			107,049	17,115	107,049	17,115
Total United States Department of Agriculture			107,049	17,115	107,049	17,115
United States Department of Education						
<i>Direct from the Federal Government</i>						
<i>Student Financial Aid Cluster:</i>						
Federal Pell Grant Program	N	84.063	265,772	-	265,772	-
Total Student Financial Aid Cluster			265,772	-	265,772	-
<i>Passed through the Ohio Department of Education</i>						
Adult Education - State Grant Program	ABS1	84.002	95,544	-	93,086	-
Career and Technical Education - Basic Grants to States	20-C2	84.048	250,970	-	361,216	-
Safe and Drug Free Schools and Communities - State Grants	DR-S1	84.186	2,400	-	2,400	-
State Grants for Innovative Programs	C2-S1	84.298	2,211	-	1,038	-
Improving Teacher Quality State Grants	TR-S1	84.367	1,784	-	1,784	-
Total United States Department of Education			618,681	-	725,296	-
Total Federal Financial Assistance			\$ 725,730	\$ 17,115	\$ 832,345	\$ 17,115

NA - Pass Through Entity Number is Not Available
N - Direct from the Federal Government

See Accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures

**APOLLO CAREER CENTER
ALLEN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the Career Center's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DONATION

Program regulations do not require the Career Center to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the entitlement value of the commodities received.



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*

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Apollo Career Center, Allen County (the Career Center) as of and for the year ended June 30, 2009, which collectively comprise the Career Center's basic financial statements and have issued our report thereon dated November 20, 2009 in which noted that the Career Center follows the modified-cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider the following deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting: 2009-002.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

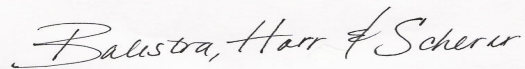
Compliance and Other Matters

As part of reasonably assuring whether the Career Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2009-001.

We also noted a certain noncompliance or other matters that we reported to the Career Center in a separate letter dated November 20, 2009.

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

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



Balestra, Harr & Scherer, CPAs, Inc.

November 20, 2009



**Report on Compliance With Requirements Applicable to Each Major Federal Program and
on Internal Control Over Compliance in Accordance with OMB Circular A-133**

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

Compliance

We have audited the compliance of the Apollo Career Center, Allen County (the Career Center), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that apply to its major federal program for the year ended June 30, 2009. The Career Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. The Career Center is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to its major federal program. Our responsibility is to express an opinion on the Career Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Career Center's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 apply to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

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

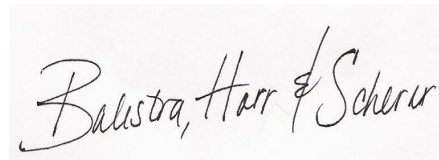
Internal Control Over Compliance (Continued)

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

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

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.

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



Balestra, Harr & Scherer, CPAs, Inc.

November 20, 2009

APOLLO CAREER CENTER
ALLEN COUNTY
JUNE 30, 2009

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505

SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Career and Technical Education – Basic Grants to State CFDA# 84.048
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

APOLLO CAREER CENTER
ALLEN COUNTY
JUNE 30, 2009

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505

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

Finding Number 2009-001

Noncompliance Citation

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative Code Section 117-2-03(B) requires the Career Center to prepare its annual financial report in accordance with generally accepted accounting principles. However, the Career Center prepared its financial statements in accordance with the modified-cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This presentation differs from accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements and notes omitted assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Revised Code Section 117.38 the Career Center may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The Career Center should take the necessary steps to ensure that the financial report is prepared in accordance with generally accepted accounting principles.

Client Response

We intend to file GAAP for FY10.

Finding Number 2009-002

Significant Deficiency

The Career Center incurred an adjustment due to the restatement of GED Tuition and Fees. The accompanying financial statements were adjusted to reflect this correction.

The Career Center should implement application and monitoring controls over financial reporting to ensure that all financial statement transactions are accurately and completely reported.

Client Response

The Client chose not to respond to this issue.

APOLLO CAREER CENTER
ALLEN COUNTY
JUNE 30, 2009

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**APOLLO CAREER CENTER
ALLEN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-001	A noncompliance citation was issued for Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (B), for failing to prepare the Career Center's financial statements in accordance with generally accepted accounting principles.	No	Not Corrected, Reissued as Finding Number 2009-001.



Independent Auditor's Report on Applying Agreed-Upon Procedures

Apollo Career Center
Allen County
3325 Shawnee Road
Lima, Ohio 45806

To the Board of Education:

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

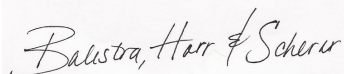
Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Apollo Career Center (the Career Center) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible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

1. We noted the Board adopted an anti-harassment policy at its meeting on March 24, 2008
2. We read the policy, noting it included the following requirements from the Ohio Rev. Code Section 3313.666(B)
 - 1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - 2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.66;
 - 3) A procedure for reporting prohibited incidents;
 - 4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - 5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - 6) A procedure for documenting any prohibited incident that is reported;

- 7) A procedure for responding to and investigating any reported incident;
- 8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- 9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall infringe on any student's rights under the first amendment to the Constitution of the United State;
- 10) A requirement that the Career Center administration semiannually provide the president of the Career Center board a written summary of all reported incidents and post the summary on its web site, if the Career Center has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



Balestra, Harr & Scherer, CPAs, Inc.

November 20, 2009



Mary Taylor, CPA
Auditor of State

APOLLO CAREER CENTER

ALLEN 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
FEBRUARY 25, 2010