

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2009***

GARY GHIZZONI, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Trumbull Career and Technical Center
528 Educational Highway
Warren, Ohio 44483

We have reviewed the *Independent Auditor's Report* of the Trumbull Career and Technical Center, Trumbull County, prepared by Julian & Grube, 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 Trumbull Career and Technical Center is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 21, 2009

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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Trumbull Career and Technical Center
528 Educational Highway
Warren, Ohio 44483

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Trumbull Career and Technical Center, Trumbull County, Ohio as of and for the fiscal year ended June 30, 2009, which collectively comprise Trumbull Career and Technical Center's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Trumbull Career and Technical 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Trumbull Career and Technical Center, Trumbull County, Ohio, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2009, on our consideration of Trumbull Career and Technical 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report
Trumbull Career and Technical Center
Page Two

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
November 24, 2009

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

The management's discussion and analysis of the Trumbull Career and Technical Center (the "Center") financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

- In total, net assets increased \$833,118. Net assets of governmental activities increased \$768,429, which represents a 6.05% increase from 2008. Net assets of business-type activities increased \$64,689 from 2008, which represents a decrease in the deficit of 50.20% from 2008.
- General revenues of the governmental activities accounted for \$12,233,532 in revenue or 80.91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,886,743 or 19.09% of total revenues of \$15,120,275.
- The Center had \$14,315,861 in expenses related to governmental activities; only \$2,886,743 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$12,233,532 were adequate to provide for these programs.
- The Center had \$2,269,258 in expenses related to business-type activities; \$2,209,629 of these expenses were offset by program specific charge for services and grants and contributions. General revenues supporting business-type activities of \$88,333 were adequate to support these programs.
- The Center's major governmental fund is the general fund. The general fund had \$13,575,471 in revenues and other financing sources and \$12,934,046 in expenditures and other financing uses. The general fund's fund balance increased \$641,425 from \$8,536,218 to \$9,177,643.

Reporting the Center as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

In the statement of net assets and the statement of activities, the Center is divided into two distinct kinds of activities:

Governmental Activities - Most of the Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations and vision self-insurance.

Business-Type Activities - These services are provided on charges for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Center's adult education program is reported as business activities.

The Center's statement of net assets and statement of activities can be found on pages 14-16 of this report.

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental fund begins on page 9 and the analysis of the Center's major enterprise fund begins on page 9. Fund financial reports provide detailed information about the Center's major funds. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant funds. The Center's major governmental fund is the general fund.

Governmental Funds

Most of the Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

Proprietary Funds

The Center maintains proprietary funds. The Center maintains one enterprise fund that accounts for the Center's adult education operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Center's various functions. The Center's internal service fund accounts for self-insurance of the Center's vision benefits. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Reporting the Center's Fiduciary Responsibilities

The Center is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The Center also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. All of the Center's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 25 and 26. These activities are excluded from the Center's other financial statements because the assets cannot be utilized by the Center to finance its operations.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-55 of this report.

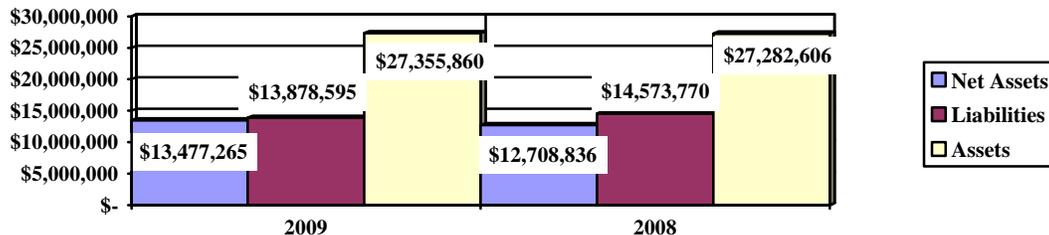
The Center as a Whole

The statement of net assets provides the perspective of the Center as a whole. The table below provides a summary of the Center's net assets at June 30, 2009 and June 30, 2008.

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current assets	\$ 17,844,132	\$ 18,092,415	\$ (28,565)	\$ 20,683	\$ 17,815,567	\$ 18,113,098
Capital assets, net	9,511,728	9,190,191	91,175	32,282	9,602,903	9,222,473
Total assets	<u>27,355,860</u>	<u>27,282,606</u>	<u>62,610</u>	<u>52,965</u>	<u>27,418,470</u>	<u>27,335,571</u>
Liabilities						
Current liabilities	6,476,953	6,840,607	6,370	50,812	6,483,323	6,891,419
Long-term liabilities	7,401,642	7,733,163	120,400	131,002	7,522,042	7,864,165
Total liabilities	<u>13,878,595</u>	<u>14,573,770</u>	<u>126,770</u>	<u>181,814</u>	<u>14,005,365</u>	<u>14,755,584</u>
Net Assets						
Invested in capital assets, net of related debt	3,616,728	3,151,191	91,175	32,282	3,707,903	3,183,473
Restricted	597,914	1,176,718	-	-	597,914	1,176,718
Unrestricted (deficit)	9,262,623	8,380,927	(155,335)	(161,131)	9,107,288	8,219,796
Total net assets	<u>\$ 13,477,265</u>	<u>\$ 12,708,836</u>	<u>\$ (64,160)</u>	<u>\$ (128,849)</u>	<u>\$ 13,413,105</u>	<u>\$ 12,579,987</u>

The graphs below present the District's governmental and business-type net assets at June 30, 2009 and June 30, 2008.

Governmental - Net Assets



**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

Business-Type - Net Assets



The table below shows the changes in net assets for governmental activities and business-type activities for fiscal years 2009 and 2008. Certain 2008 amounts have been reclassified to conform to 2009's presentation.

Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services and sales	\$ 697,486	\$ 663,369	\$ 1,975,928	\$ 1,887,875	\$ 2,673,414	\$ 2,551,244
Operating grants and contributions	2,189,257	2,087,633	233,701	207,437	2,422,958	2,295,070
General revenues:						
Property taxes	5,276,495	5,487,965	-	-	5,276,495	5,487,965
Grants and entitlements	6,502,792	5,910,668	-	-	6,502,792	5,910,668
Investment earnings	392,433	485,742	-	-	392,433	485,742
Other	61,812	48,405	88,333	100,244	150,145	148,649
Total revenues	15,120,275	14,683,782	2,297,962	2,195,556	17,418,237	16,879,338

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	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	\$ 1,538,362	\$ 1,588,711	\$ -	\$ -	\$ 1,538,362	\$ 1,588,711
Special	5,615	-	-	-	5,615	-
Vocational	6,043,307	6,290,093	-	-	6,043,307	6,290,093
Adult/continuing	423,783	413,650	-	-	423,783	413,650
Support services:						
Pupil	1,259,352	1,153,615	-	-	1,259,352	1,153,615
Instructional staff	442,971	593,673	-	-	442,971	593,673
Board of education	66,168	56,323	-	-	66,168	56,323
Administration	1,797,445	1,844,544	-	-	1,797,445	1,844,544
Fiscal	530,418	517,906	-	-	530,418	517,906
Business	39,693	45,353	-	-	39,693	45,353
Operations and maintenance	1,136,983	1,148,824	-	-	1,136,983	1,148,824
Pupil transportation	76,679	141,888	-	-	76,679	141,888
Central	219,513	183,062	-	-	219,513	183,062
Operation of non-instructional services:						
Other non-instructional services	1,869	4,689	-	-	1,869	4,689
Food service operations	359,814	335,540	-	-	359,814	335,540
Extracurricular activities	90,962	82,192	-	-	90,962	82,192
Interest and fiscal charges	282,927	289,392	-	-	282,927	289,392
Adult education	-	-	<u>2,269,258</u>	<u>2,245,386</u>	<u>2,269,258</u>	<u>2,245,386</u>
Total expenses	<u>14,315,861</u>	<u>14,689,455</u>	<u>2,269,258</u>	<u>2,245,386</u>	<u>16,585,119</u>	<u>16,934,841</u>
Increase/decrease before transfers	804,414	(5,673)	28,704	(49,830)	833,118	(55,503)
Transfers	<u>(35,985)</u>	<u>-</u>	<u>35,985</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	768,429	(5,673)	64,689	(49,830)	833,118	(55,503)
Net assets at beginning of year	<u>12,708,836</u>	<u>12,714,509</u>	<u>(128,849)</u>	<u>(79,019)</u>	<u>12,579,987</u>	<u>12,635,490</u>
Net assets at end of year	<u>\$ 13,477,265</u>	<u>\$ 12,708,836</u>	<u>\$ (64,160)</u>	<u>\$ (128,849)</u>	<u>\$ 13,413,105</u>	<u>\$ 12,579,987</u>

Governmental Activities

Net assets of the Center's governmental activities increased \$768,429. Total governmental expenses of \$14,315,861 were offset by program revenues of \$2,886,743 and general revenues of \$12,233,532. Program revenues supported 20.16% of the total governmental expenses.

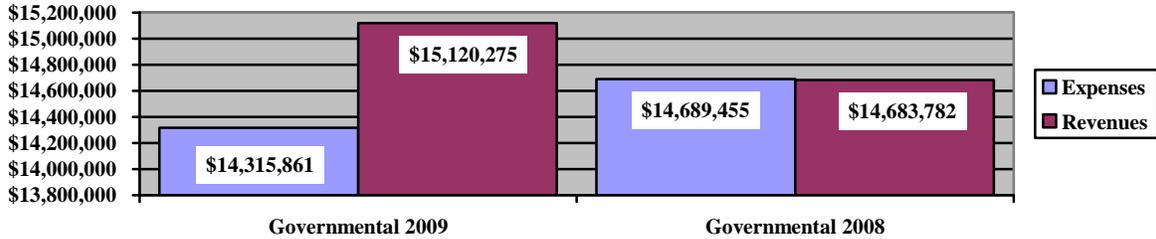
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 77.90% of total governmental revenue. Real estate property is reappraised every six years.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

The graph below presents the Center's governmental activities revenue and expenses for fiscal years 2009 and 2008.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2009 and 2008. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

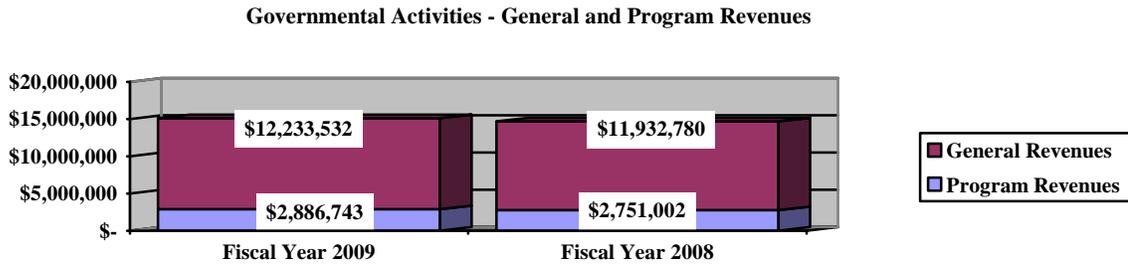
	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Program expenses:				
Instruction:				
Regular	\$ 1,538,362	\$ 1,538,362	\$ 1,588,711	\$ 1,585,711
Special	5,615	5,615	-	-
Vocational	6,043,307	4,298,492	6,290,093	4,689,127
Adult/continuing	423,783	171,845	413,650	193,119
Support services:				
Pupil	1,259,352	1,119,584	1,153,615	1,036,522
Instructional staff	442,971	335,556	593,673	409,634
Board of education	66,168	66,168	56,323	56,323
Administration	1,797,445	1,777,593	1,844,544	1,831,652
Fiscal	530,418	530,418	517,906	517,906
Business	39,693	39,693	45,353	45,353
Operations and maintenance	1,136,983	939,150	1,148,824	965,757
Pupil transportation	76,679	76,679	141,888	141,888
Central	219,513	137,915	183,062	86,196
Operation of non-instructional services:				
Other non-instructional services	1,869	1,869	4,689	4,689
Food service operations	359,814	16,290	335,540	2,992
Extracurricular activities	90,962	90,962	82,192	82,192
Interest and fiscal charges	282,927	282,927	289,392	289,392
Total expenses	\$ 14,315,861	\$ 11,429,118	\$ 14,689,455	\$ 11,938,453

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The dependence upon tax revenues and grants and entitlements during fiscal year 2009 for governmental activities is apparent, 75.08% of 2009 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 79.84% in 2009. The Center's taxpayers and grants and entitlements are by far the primary support for Center's students.

The graph below presents the Center's governmental activities revenue for fiscal years 2009 and 2008.



Business-Type Activities

The adult education program provides the business-type activities. This program had revenues of \$2,297,962 and expenses of \$2,269,258 for fiscal year 2009. The Center's business activities receive no support from tax revenues.

The Center's Funds

The Center's governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$9,839,952, which is \$197,176 higher than last year's total of \$9,642,776. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	<u>Fund Balance June 30, 2009</u>	<u>Fund Balance June 30, 2008</u>	<u>Increase/ (Decrease)</u>
General	\$ 9,177,643	\$ 8,536,218	\$ 641,425
Other Governmental	<u>662,309</u>	<u>1,106,558</u>	<u>(444,249)</u>
Total	<u>\$ 9,839,952</u>	<u>\$ 9,642,776</u>	<u>\$ 197,176</u>

The decrease in other governmental funds is due primarily to expenditures incurred by the Center in the permanent improvement fund (a nonmajor governmental fund) related to Phase IV of the renovation project.

General Fund

The Center's general fund's fund balance increased by \$641,425.

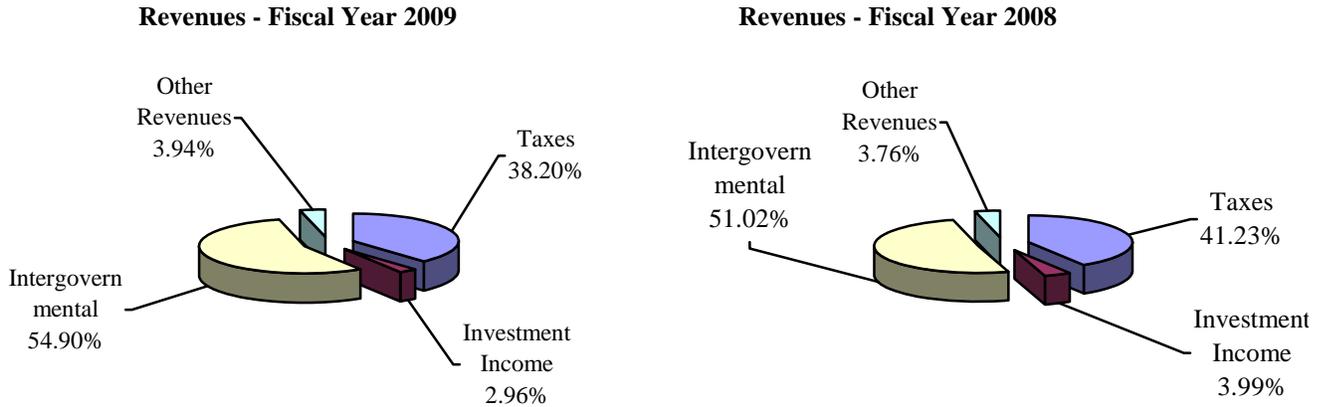
**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

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

	<u>2009 Amount</u>	<u>2008 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 5,185,679	\$ 5,460,914	\$ (275,235)	(5.04) %
Earnings on investments	401,649	529,076	(127,427)	(24.08) %
Intergovernmental	7,452,967	6,755,247	697,720	10.33 %
Other revenues	<u>534,706</u>	<u>498,532</u>	<u>36,174</u>	7.26 %
Total	<u>\$ 13,575,001</u>	<u>\$ 13,243,769</u>	<u>\$ 331,232</u>	2.50 %

Revenues of the general fund increased \$331,232 or 2.50%. Tax revenue decreased \$275,235 or 5.04% which is primarily the result of a decrease of approximately \$226,000 in personal property tax receipts which are being phased out. Intergovernmental revenues increased \$697,720 or 10.33%. This increase is due mainly to a slight increase in foundation receipts and tangible personal property tax loss reimbursement. Earnings on investments decreased \$127,427 due to a decrease in interest rates earned on investments.



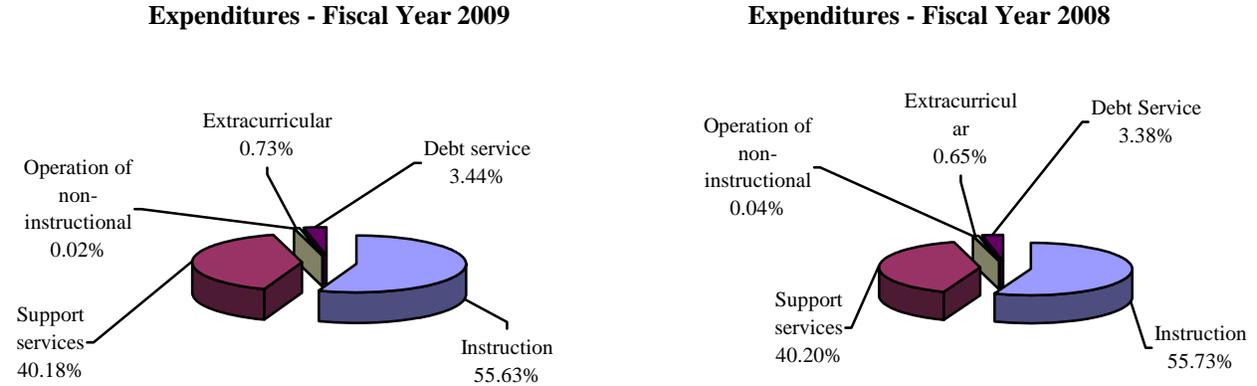
The table that follows assists in illustrating the expenditures of the general fund.

	<u>2009 Amount</u>	<u>2008 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction	\$ 6,904,645	\$ 7,045,479	\$ (140,834)	(2.00) %
Support services	4,986,614	5,082,270	(95,656)	(1.88) %
Operation of non-instructional services	1,869	4,689	(2,820)	(60.14) %
Extracurricular activities	91,006	82,140	8,866	10.79 %
Debt service	<u>426,927</u>	<u>427,392</u>	<u>(465)</u>	(0.11) %
Total	<u>\$ 12,411,061</u>	<u>\$ 12,641,970</u>	<u>\$ (230,909)</u>	(1.83) %

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Expenditures of the general fund decreased \$230,909 or 1.83%. The most significant decreases were in the areas of instructional and support services. Instructional and support services decreased \$140,834 and \$95,656, respectively.



General Fund Budgeting Highlights

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

During the course of fiscal year 2009 the Center amended its general fund budget numerous times. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$13,709,174, which was higher than original budget estimates of \$13,523,535. Actual budget basis revenues and other financing sources of \$13,709,173 were \$1 lower than the final budget.

General fund original appropriations (expenditures plus other financing uses) of \$13,939,157 were decreased to \$13,726,264 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2009 totaled \$13,407,910, which was \$318,354 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2009, the Center had \$9,602,903 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. Of this total, \$9,511,728 was reported in governmental activities and \$91,175 was reported in business-type activities.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

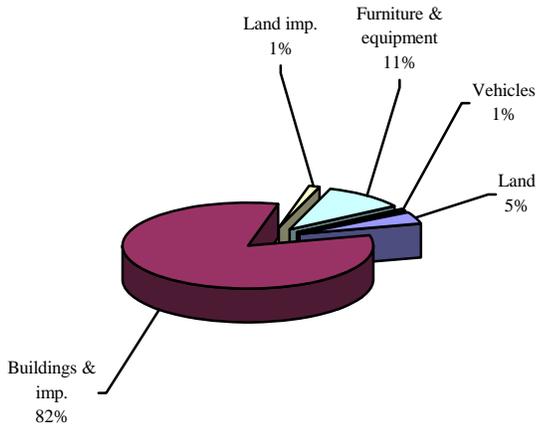
The following table shows June 30, 2009 balances compared to June 30, 2008:

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

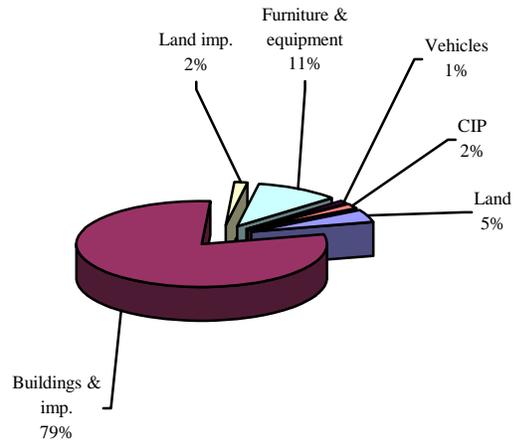
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 432,770	\$ 432,770	\$ -	\$ -	\$ 432,770	\$ 432,770
Construction-in-progress	-	178,541	-	-	-	178,541
Land improvements	117,326	150,524	-	-	117,326	150,524
Building and improvements	7,869,630	7,323,859	-	-	7,869,630	7,323,859
Furniture and equipment	1,006,921	994,482	91,175	32,282	1,098,096	1,026,764
Vehicles	85,081	110,015	-	-	85,081	110,015
Total	\$ 9,511,728	\$ 9,190,191	\$ 91,175	\$ 32,282	\$ 9,602,903	\$ 9,222,473

The following graphs show the breakdown of governmental activities capital assets by category for 2009 and 2008.

**Capital Assets - Governmental Activities
2009**



**Capital Assets - Governmental Activities
2008**



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

Debt Administration

At June 30, 2009, the Center had an outstanding lease purchase agreement of \$5,895,000. Of the balance, \$151,000 is due within one year and \$5,744,000 is due in more than one year.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

The following table shows the June 30, 2009 balance compared to June 30, 2008:

Outstanding Debt, at Year End

	Governmental Activities	
	<u>2009</u>	<u>2008</u>
OASBO Lease Purchase Agreement	\$ 5,895,000	\$ 6,039,000
Total	<u>\$ 5,895,000</u>	<u>\$ 6,039,000</u>

At June 30, 2009 the Center's overall legal debt margin was \$255,492,129 with an unvoted debt margin of 2,838,801.

See Note 9 to the basic financial statements for additional information on the Center's debt administration.

Current Financial Related Activity

Overall the Center is strong financially. The Center relies heavily upon grants, State foundation and property taxes. The finances are stable for fiscal years 2009 through fiscal year 2013 due to the passage of a 2.4 mill renewal levy on the ballot in November of 2004 that will expire in January of 2016. The 2.4 mills represent approximately 36% of the total revenue the Center receives yearly.

The challenge for the Center's management is to continue to provide the resources necessary to meet student needs and to be able to stay within the five-year forecast. The five-year forecast is utilized by management in order to effectively manage the Center's resources to their fullest.

Since the Center relies on the State for approximately 51% of the general operating revenues, one of the challenges is that of State funding. The State of Ohio was found by the Supreme Court in March 1997 to be operating unconstitutional education system, one that was neither adequate nor equitable. Since 1997, the State has directed its tax revenue growth toward school districts with little tax property wealth. Due to the courts recent results concerning the "DeRolph IV" Case in 2002 and the implementation of house Bill 66 in 2007, the Center is unable to determine what effect, if any, the future holds for change in State funding and its financial implications.

All of the Center's financial abilities will be needed to meet the financial challenges of the future.

During fiscal year 2009, Phase IV of the ongoing renovation of the career center building was completed. The Center is currently number 31 on the list of schools to receive funding from the Ohio School Facilities Commission.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Gary Ghizzoni, Treasurer, Trumbull Career and Technical Center, 528 Educational Highway, Warren, Ohio 44483.

**BASIC
FINANCIAL STATEMENTS**

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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and investments.	\$ 10,720,837	\$ 17,903	\$ 10,738,740
Receivables:			
Taxes	6,653,569	-	6,653,569
Accounts	14,870	78,372	93,242
Intergovernmental	90,093	49,966	140,059
Accrued interest	147,077	-	147,077
Internal balances	182,902	(182,902)	-
Prepayments.	25,458	8,096	33,554
Materials and supplies inventory	9,326	-	9,326
Capital assets:			
Land	432,770	-	432,770
Depreciable capital assets, net	9,078,958	91,175	9,170,133
Total capital assets, net	9,511,728	91,175	9,602,903
Total assets.	27,355,860	62,610	27,418,470
Liabilities:			
Accounts payable.	7,001	280	7,281
Accrued wages and benefits	961,226	3,170	964,396
Pension obligation payable.	148,733	1,469	150,202
Intergovernmental payable	32,801	1,451	34,252
Unearned revenue	5,324,849	-	5,324,849
Claims payable	2,343	-	2,343
Long-term liabilities:			
Due within one year.	384,238	34,811	419,049
Due in more than one year	7,017,404	85,589	7,102,993
Total liabilities	13,878,595	126,770	14,005,365
Net Assets:			
Invested in capital assets, net of related debt.	3,616,728	91,175	3,707,903
Restricted for:			
Capital projects	586,736	-	586,736
State funded programs.	160	-	160
Other purposes	11,018	-	11,018
Unrestricted (deficit)	9,262,623	(155,335)	9,107,288
Total net assets (deficit).	\$ 13,477,265	\$ (64,160)	\$ 13,413,105

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 1,538,362	\$ -	\$ -
Special	5,615	-	-
Vocational	6,043,307	275,061	1,469,754
Adult/continuing	423,783	-	251,938
Support services:			
Pupil.	1,259,352	-	139,768
Instructional staff	442,971	-	107,415
Board of education	66,168	-	-
Administration.	1,797,445	-	19,852
Fiscal.	530,418	-	-
Business.	39,693	-	-
Operations and maintenance	1,136,983	197,833	-
Pupil transportation.	76,679	-	-
Central	219,513	17,214	64,384
Operation of non-instructional services:			
Other non-instructional services.	1,869	-	-
Food service operations	359,814	207,378	136,146
Extracurricular activities	90,962	-	-
Interest and fiscal charges	282,927	-	-
Total governmental activities	<u>14,315,861</u>	<u>697,486</u>	<u>2,189,257</u>
Business-type activities:			
Adult education.	<u>2,269,258</u>	<u>1,975,928</u>	<u>233,701</u>
Total business-type activities	<u>2,269,258</u>	<u>1,975,928</u>	<u>233,701</u>
Totals	<u>\$ 16,585,119</u>	<u>\$ 2,673,414</u>	<u>\$ 2,422,958</u>

General Revenues:

Property taxes levied for:	
General fund	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Miscellaneous	
Total general revenues	
Transfers	
Total general revenues and transfers	
Change in net assets	
Net assets (deficit) at beginning of year . . .	
Net assets (deficit) at end of year.	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (1,538,362)	\$ -	\$ (1,538,362)
(5,615)	-	(5,615)
(4,298,492)	-	(4,298,492)
(171,845)	-	(171,845)
(1,119,584)	-	(1,119,584)
(335,556)	-	(335,556)
(66,168)	-	(66,168)
(1,777,593)	-	(1,777,593)
(530,418)	-	(530,418)
(39,693)	-	(39,693)
(939,150)	-	(939,150)
(76,679)	-	(76,679)
(137,915)	-	(137,915)
(1,869)	-	(1,869)
(16,290)	-	(16,290)
(90,962)	-	(90,962)
(282,927)	-	(282,927)
(11,429,118)	-	(11,429,118)
-	(59,629)	(59,629)
-	(59,629)	(59,629)
(11,429,118)	(59,629)	(11,488,747)
5,276,495	-	5,276,495
6,502,792	-	6,502,792
392,433	-	392,433
61,812	88,333	150,145
12,233,532	88,333	12,321,865
(35,985)	35,985	-
12,197,547	124,318	12,321,865
768,429	64,689	833,118
12,708,836	(128,849)	12,579,987
\$ 13,477,265	\$ (64,160)	\$ 13,413,105

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 9,872,204	\$ 830,011	\$ 10,702,215
Receivables:			
Taxes	6,653,569	-	6,653,569
Accounts	14,870	-	14,870
Intergovernmental	-	90,093	90,093
Accrued interest	147,077	-	147,077
Interfund loans	207,764	-	207,764
Due from other funds	6,262	-	6,262
Prepayments	24,402	1,056	25,458
Materials and supplies inventory	-	9,326	9,326
Total assets	<u>\$ 16,926,148</u>	<u>\$ 930,486</u>	<u>\$ 17,856,634</u>
Liabilities:			
Accounts payable	\$ 6,008	\$ 993	\$ 7,001
Accrued wages and benefits	890,192	71,034	961,226
Compensated absences payable	-	72,564	72,564
Pension obligation payable	131,887	16,846	148,733
Intergovernmental payable	32,049	752	32,801
Interfund loans payable	-	26,305	26,305
Due to other funds	-	4,140	4,140
Deferred revenue	1,363,520	75,543	1,439,063
Unearned revenue	5,324,849	-	5,324,849
Total liabilities	<u>7,748,505</u>	<u>268,177</u>	<u>8,016,682</u>
Fund Balances:			
Reserved for encumbrances	58,323	5,560	63,883
Reserved for materials and supplies inventory	-	9,326	9,326
Reserved for property tax unavailable for appropriation	32,992	-	32,992
Reserved for prepayments	24,402	1,056	25,458
Reserved for termination benefits	-	80,731	80,731
Unreserved/undesignated (deficit) reported in:			
General fund	9,061,926	-	9,061,926
Special revenue funds	-	(21,100)	(21,100)
Capital projects funds	-	586,736	586,736
Total fund balances	<u>9,177,643</u>	<u>662,309</u>	<u>9,839,952</u>
Total liabilities and fund balances	<u>\$ 16,926,148</u>	<u>\$ 930,486</u>	<u>\$ 17,856,634</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

Total governmental fund balances	\$	9,839,952
 <i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,511,728
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$ 1,295,728	
Accrued interest receivable	67,792	
Intergovernmental receivable	<u>75,543</u>	
Total		1,439,063
An internal service fund is used by management to charge the costs of vision insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. The net assets of the internal service fund, excluding internal balances of (\$679), are:		15,600
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(1,434,078)	
OASBO lease purchase	<u>(5,895,000)</u>	
Total		<u>(7,329,078)</u>
Net assets of governmental activities	\$	<u><u>13,477,265</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 5,185,679	\$ -	\$ 5,185,679
Charges for services	-	207,378	207,378
Earnings on investments.	401,649	12	401,661
Extracurricular.	-	17,214	17,214
Classroom materials and fees	134,834	-	134,834
Rental income	197,833	-	197,833
Contributions and donations	-	779	779
Services provided to other entities	140,227	-	140,227
Other local revenues.	61,812	-	61,812
Intergovernmental - state	7,396,334	71,046	7,467,380
Intergovernmental - federal.	56,633	1,169,513	1,226,146
Total revenues.	<u>13,575,001</u>	<u>1,465,942</u>	<u>15,040,943</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,525,916	-	1,525,916
Special.	5,615	-	5,615
Vocational.	5,373,114	635,364	6,008,478
Adult/continuing	-	250,692	250,692
Support services:			
Pupil.	1,054,134	225,763	1,279,897
Instructional staff	339,466	106,894	446,360
Board of education	65,826	-	65,826
Administration.	1,754,949	22,322	1,777,271
Fiscal	529,291	-	529,291
Business	39,693	-	39,693
Operations and maintenance.	1,085,407	31,052	1,116,459
Pupil transportation	47,484	-	47,484
Central.	70,364	149,149	219,513
Operation of non-instructional services:			
Other non-instructional services.	1,869	-	1,869
Food service operations	-	342,885	342,885
Extracurricular activities.	91,006	-	91,006
Facilities acquisition and construction	-	633,070	633,070
Debt service:			
Principal retirement	144,000	-	144,000
Interest and fiscal charges	282,927	-	282,927
Total expenditures	<u>12,411,061</u>	<u>2,397,191</u>	<u>14,808,252</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,163,940</u>	<u>(931,249)</u>	<u>232,691</u>
Other financing sources (uses):			
Transfers in.	-	487,000	487,000
Transfers (out)	(522,985)	-	(522,985)
Sale of assets.	470	-	470
Total other financing sources (uses)	<u>(522,515)</u>	<u>487,000</u>	<u>(35,515)</u>
Net change in fund balances	641,425	(444,249)	197,176
Fund balances at beginning of year	<u>8,536,218</u>	<u>1,106,558</u>	<u>9,642,776</u>
Fund balances at end of year.	<u>\$ 9,177,643</u>	<u>\$ 662,309</u>	<u>\$ 9,839,952</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds \$ 197,176

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

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

Capital asset additions	\$	746,112	
Current year depreciation		(420,242)	
<hr/>			
Total			325,870

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (4,333)

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

Taxes		90,816	
Earnings on investments		(9,216)	
Intergovernmental revenue		(2,268)	
<hr/>			
Total			79,332

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement net assets. 144,000

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. 20,644

An internal service fund is used by management to charge the cost of vision self-insurance is not reported in the government-wide statement activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance activity of (\$1,472), is allocated among the governmental activities. 5,740

Change in net assets of governmental activities \$ 768,429

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 5,109,917	\$ 5,181,215	\$ 5,181,215	\$ -
Earnings on investments.	320,998	325,477	325,477	-
Classroom materials and fees.	132,979	134,834	134,834	-
Rental income.	195,111	197,833	197,833	-
Services provided to other entities	138,297	140,227	140,227	-
Other local revenues.	56,785	57,577	57,577	-
Intergovernmental - state	7,294,927	7,396,711	7,396,710	(1)
Intergovernmental - federal.	55,854	56,633	56,633	-
Total revenues	<u>13,304,868</u>	<u>13,490,507</u>	<u>13,490,506</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,572,723	1,546,445	1,527,258	19,187
Vocational.	5,678,664	5,583,783	5,472,768	111,015
Support services:				
Pupil.	1,067,982	1,050,137	1,044,554	5,583
Instructional staff	436,228	428,939	344,890	84,049
Board of education	68,892	67,741	65,903	1,838
Administration.	1,867,544	1,836,340	1,818,660	17,680
Fiscal	554,850	545,579	539,036	6,543
Business	48,555	47,744	40,138	7,606
Operations and maintenance.	1,206,740	1,186,577	1,149,694	36,883
Pupil transportation	55,453	54,526	47,112	7,414
Central.	95,105	93,516	79,884	13,632
Operation of non-instructional services:				
Other non-instructional services	4,960	4,877	1,868	3,009
Extracurricular activities.	83,780	82,380	91,215	(8,835)
Debt service:				
Principal retirement	144,000	144,000	144,000	-
Interest and fiscal charges	282,927	282,927	282,927	-
Total expenditures	<u>13,168,403</u>	<u>12,955,511</u>	<u>12,649,907</u>	<u>305,604</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>136,465</u>	<u>534,996</u>	<u>840,599</u>	<u>305,603</u>
Other financing sources (uses):				
Refund of prior year expenditures	8,531	8,531	8,531	-
Transfers (out)	(535,735)	(535,735)	(522,985)	12,750
Advances in.	209,666	209,666	209,666	-
Advances (out)	(207,765)	(207,764)	(207,764)	-
Sale of assets	470	470	470	-
Miscellaneous (uses)	(27,254)	(27,254)	(27,254)	-
Total other financing sources (uses)	<u>(552,087)</u>	<u>(552,086)</u>	<u>(539,336)</u>	<u>12,750</u>
Net change in fund balance	(415,622)	(17,090)	301,263	318,353
Fund balance at beginning of year.	9,263,438	9,263,438	9,263,438	-
Prior year encumbrances appropriated	199,272	199,272	199,272	-
Fund balance at end of year	<u>\$ 9,047,088</u>	<u>\$ 9,445,620</u>	<u>\$ 9,763,973</u>	<u>\$ 318,353</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Business-Type Activities - Adult Education	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Assets:		
Current assets:		
Equity in pooled cash and investments.	\$ 17,903	\$ 18,622
Receivables:		
Accounts	78,372	-
Intergovernmental	49,966	-
Prepayments	8,096	-
	<u>154,337</u>	<u>18,622</u>
Total current assets		
Noncurrent assets:		
Capital assets, net	91,175	-
	<u>245,512</u>	<u>18,622</u>
Total assets		
Liabilities:		
Current liabilities:		
Accounts payable.	280	-
Accrued wages and benefits	3,170	-
Compensated absences.	34,811	-
Pension obligation payable.	1,469	-
Interfund loan payable	181,459	-
Intergovernmental payable	1,451	-
Due to other funds	2,122	-
Claims payable	-	2,343
	<u>224,762</u>	<u>2,343</u>
Total current liabilities		
Noncurrent liabilities:		
Compensated absences.	85,589	-
	<u>310,351</u>	<u>2,343</u>
Total liabilities		
Net assets:		
Invested in capital assets.	91,175	-
Unrestricted (deficit)	(156,014)	16,279
	<u>(64,839)</u>	<u>16,279</u>
Total net assets (deficit)		
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.	679	
	<u>\$ (64,160)</u>	
Net assets (deficit) of business-type activities		

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Adult Education	Governmental Activities - Internal Service Fund
Operating revenues:		
Tuition and fees.	\$ 1,975,928	\$ -
Sales/charges for services.	-	26,973
Other	88,333	-
	2,064,261	26,973
Operating expenses:		
Personal services.	1,585,045	-
Purchased services.	349,391	-
Materials and supplies	328,659	-
Claims	-	19,761
Depreciation	7,635	-
	2,270,730	19,761
Total operating expenses.	2,270,730	19,761
Operating income (loss)	(206,469)	7,212
Nonoperating revenues:		
Grants and subsidies.	233,701	-
Total nonoperating revenues.	233,701	-
Income before transfers.	27,232	7,212
Transfers	35,985	-
Change in net assets	63,217	7,212
Net assets (deficit) at beginning of year . .	(128,056)	9,067
Net assets (deficit) at end of year	\$ (64,839)	\$ 16,279
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.	1,472	
Net change in net assets of business-type activities	\$ 64,689	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Adult Education	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from tuition and fees	\$ 1,947,983	\$ -
Cash received from sales/charges for services.	-	26,973
Cash received from other operations.	88,333	-
Cash payments for personal services.	(1,635,087)	-
Cash payments for purchased services	(350,542)	-
Cash payments for materials and supplies	(328,564)	-
Cash payments for claims	-	(19,078)
	<u>(277,877)</u>	<u>7,895</u>
Net cash provided by (used in) operating activities		
Cash flows from noncapital financing activities:		
Cash received from grants and subsidies.	233,701	-
Cash received from transfers in	35,985	-
Cash received from interfund loans	181,459	-
Cash used in repayment of interfund loans.	(121,473)	-
	<u>329,672</u>	<u>-</u>
Net cash provided by noncapital financing activities.		
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(66,528)	-
	<u>(66,528)</u>	<u>-</u>
Net cash used in capital and related financing activities.		
Net increase (decrease) in cash and cash equivalents	(14,733)	7,895
Cash and investments at beginning of year	<u>32,636</u>	<u>10,727</u>
Cash and investments at end of year.	<u><u>\$ 17,903</u></u>	<u><u>\$ 18,622</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (206,469)	\$ 7,212
Adjustments:		
Depreciation.	7,635	-
Changes in assets and liabilities:		
Decrease in accounts receivable	2,879	-
Increase in intergovernmental receivable	(30,824)	-
Decrease in prepayments	3,816	-
Decrease in accounts payable	(450)	-
Decrease in accrued wages and benefits	(38,595)	-
Decrease in intergovernmental payable.	(1,333)	-
Decrease in compensated absences payable.	(10,602)	-
Decrease in pension obligation payable.	(4,064)	-
Increase in due to other funds	130	-
Increase in claims payable.	-	683
	<u>-</u>	<u>683</u>
Net cash provided by (used in) operating activities	<u><u>\$ (277,877)</u></u>	<u><u>\$ 7,895</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments.	\$ 30,208	\$ 78,779
Receivables:		
Accrued interest	14	-
	<u>30,222</u>	<u>-</u>
Total assets	<u>30,222</u>	<u>\$ 78,779</u>
Liabilities:		
Due to students	-	\$ 78,779
	<u>-</u>	<u>\$ 78,779</u>
Total liabilities	<u>-</u>	<u>\$ 78,779</u>
Net Assets:		
Held in trust for scholarships	30,222	
	<u>30,222</u>	
Total net assets	<u>\$ 30,222</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 247
Gifts and contributions.	4,856
	5,103
Total additions.	5,103
Deductions:	
Scholarships awarded	5,264
	(161)
Change in net assets	(161)
Net assets at beginning of year.	30,383
Net assets at end of year	\$ 30,222

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 1 - DESCRIPTION OF THE CENTER

The Trumbull County Joint Vocational School District was formed on June 30, 1970 and subsequently became the Trumbull Career and Technical Center (the "Center") on July 1, 2000. The Center is a body politic and corporate established under Section 3311.18 of the Ohio Revised Code for the purpose of exercising the right and privileges conveyed to it by the constitution and laws of the State of Ohio. The Center includes fourteen local school districts: Bloomfield-Mespo Local, Bristol Local, Brookfield Local, Champion Local, Joseph Badger Local, LaBrae Local, Lakeview Local, Liberty Local, Lordstown Local, Maplewood Local, Mathews Local, McDonald Local, Southington Local, Weathersfield Local, and one representative each from Warren City, Girard City, Newton Falls Exempted Village, Niles City and Hubbard Exempted Village.

The Center has been supported by a 2.4 mil 10 year renewal operating levy and by funds from the State of Ohio Joint Vocational School Foundation Program.

The Center provides job training leading to employment upon graduation from high school. The Center fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan and implement education programs designed to meet the common needs and interests of students.

Board Resolution No. 02-63 states that the Center shall operate under a nineteen-member Board of Education consisting of 1 member from each member school's board of education and initially (January 1, 2003) each Board Member shall serve one, two and three year terms and thereafter, successors to these members shall serve for successive two year terms so that no more than five members are appointed each year. The Center provides educational services as authorized and mandated by State or federal agencies. The Center employs 45 non-certified and 107 certified employees to provide services to approximately 844 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following organizations are described due to their relationship to the Center:

JOINTLY GOVERNED ORGANIZATION

North East Ohio Management Information Network (NEOMIN)

NEOMIN is a jointly governed organization among twenty-eight school districts and two educational service centers. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to the administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board, which consists of ten members; the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and a principal and a treasurer (non-voting members who must be employed by a participating school district, or fiscal agent of NEOMIN). The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A complete set of separate financial statements may be obtained from the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

PUBLIC ENTITY RISK POOL

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The Center participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Trumbull County Schools Employee Insurance Benefit Consortium Association

The Trumbull County Schools Employee Insurance Benefit Consortium Association (the "Consortium") is a shared risk pool comprised of fifteen Trumbull County school districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly exercises controls over the operations of the Consortium. All Consortium revenues are generated from charges for services and remitted to the fiscal agent Trumbull County Educational Service Center. The fiscal agent will then remit the charges for services to Watson Wyatt Worldwide in Cleveland, Ohio, an agent of Medical Mutual, who acts in the capacity of a third-party administrator (TPA) for claims processing.

B. Fund Accounting

The Center uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain center activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the Center's major governmental 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 for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the Center are used to account for (a) financial resources to be used for the improvement of capital facilities other than those financed by proprietary funds; (b) for grants and other resources whose use is restricted to a particular purpose; and (c) food service operations.

PROPRIETARY FUNDS

Proprietary funds are used to account for the Center's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following are the Center's proprietary funds:

Enterprise fund - The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Center has one enterprise fund to account for adult education programs. This fund is considered a major enterprise fund.

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Center, or to other governments, on a cost-reimbursement basis. The only internal service fund of the Center accounts for a self-insurance program which provides vision benefits to employees.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Center that are governmental and those that are considered business-type activities. Internal service fund activity is eliminated to avoid overstatement of revenues and expenses.

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Center finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Center's internal service fund is charges for sales and services. The principal operating revenues of the Center's enterprise funds are tuition and fees for adult education. Operating expenses for internal service funds include the cost of sales and services, administrative expenses and claims expenses. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Basis of Accounting

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

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

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

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

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

E. Budgets

The Center is required by State statute to adopt an annual appropriated cash basis budget for all funds except agency funds. The specific timetable for fiscal year 2009 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Trumbull County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the Center Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Center Treasurer. The amounts reported as the original and final budgeted revenue amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2009.
4. By July 1, the Annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year). Although the legal level of budgetary control was established at the fund level of expenditures, the Center has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2009. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end (not already recorded in accounts payable) are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

F. Cash and Investments

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

During fiscal year 2009, investments were limited to no-load money market mutual funds, federal agency securities, non-negotiable certificates of deposit, negotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

The Center has invested funds in STAR Ohio during fiscal year 2009. 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 shares price which is the price the investment could be sold for on June 30, 2009.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$401,649 which includes \$49,136 assigned from other Center funds.

For purposes of the statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Center are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

G. Inventory

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

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of \$2,000. The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	15 - 20 years	N/A
Building improvements	20 - 40 years	N/A
Furniture/equipment	5 - 20 years	5 - 20 years
Vehicles	8 years	N/A

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Interfund Balances

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

J. Compensated Absences

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2009 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepayments

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

M. Fund Balance Reserves

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represent amounts restricted for the food service fund (a nonmajor governmental fund) and the special trust fund (a nonmajor governmental fund).

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

O. Estimates

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

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2009.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2009, the Center has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the Center.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the Center.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for State and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the Center.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the Center.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances/Net Assets

Fund balances/net assets at June 30, 2009, included the following individual deficits:

<u>Major fund</u>	<u>Deficit</u>
Adult education	\$ 64,839
<u>Nonmajor funds</u>	
Adult basic education	812
Carl D. Perkins	57,050
Drug-free schools	3

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balance in the Drug-Free Schools fund result from adjustments for accrued liabilities. The deficit fund balances in the Adult Education fund, the Adult Basic Education fund and the Carl D. Perkins fund result from both adjustments for accrued liabilities and the reporting of short-term interfund loans as a fund liability rather than as an other financing source.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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 Center and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the Center had \$500 in undeposited cash on hand which is included on the financial statements of the Center as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2009, the carrying amount of all the Center's deposits was \$3,857,950. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$1,840,659 of the Center's bank balance of \$3,900,825 was exposed to custodial risk as discussed below, while \$2,060,166 was covered by the FDIC.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

C. Investments

As of June 30, 2009, the Center had the following investments and maturities:

Investment type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
FHLB	\$ 1,156,745	\$ -	\$ -	\$ 1,156,745	\$ -
FHLB discount notes	982,337	264,762	717,575	-	-
FHLMC	1,763,162	302,473	-	520,337	940,352
FHLMC discount notes	498,584	-	498,584	-	-
FNMA	746,674	-	-	496,213	250,461
Negotiable cd's	1,738,097	1,712,376	-	25,721	-
U.S. Government money market	26,528	26,528	-	-	-
STAR Ohio	77,150	77,150	-	-	-
Total	\$ 6,989,277	\$ 2,383,289	\$ 1,216,159	\$ 2,199,016	\$ 1,190,813

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Center's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The Center's investments, except for STAR Ohio and the U.S. Government money market, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market rating.

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Center at June 30, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 1,156,745	16.55
FHLB discount notes	982,337	14.05
FHLMC	1,763,162	25.24
FHLMC discount notes	498,584	7.13
FNMA	746,674	10.68
Negotiable cd's	1,738,097	24.87
U.S. Government money market	26,528	0.38
STAR Ohio	77,150	1.10
Total	<u>\$ 6,989,277</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,857,950
Investments	6,989,277
Cash on hand	<u>500</u>
Total	<u>\$ 10,847,727</u>
 <u>Cash and cash equivalents per statement of net assets</u>	
Governmental activities	\$ 10,720,837
Business type activities	17,903
Private-purpose trust fund	30,208
Agency funds	<u>78,779</u>
Total	<u>\$ 10,847,727</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2009, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 26,305
General fund	Adult education fund	<u>181,459</u>
Total interfund loans		<u>\$ 207,764</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund loans between governmental funds are eliminated on the government-wide statements. Interfund loans between governmental funds and enterprise funds are reported as a component of "internal balances" on the government-wide statements.

B. Due to/from other funds consisted of the following at June 30, 2009, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 4,140
General fund	Adult education fund	<u>2,122</u>
Total due to/from other funds		<u>\$ 6,262</u>

The primary purpose of the amount due to the general fund from the nonmajor governmental funds and the adult education fund are the amounts due for the accumulation of worker's compensation and to cover negative cash balances in specific funds where revenues were not received by June 30.

Amounts due to/from between governmental funds are eliminated on the government-wide statements. Amounts due to/from between governmental funds and the enterprise funds are reported as a component of "internal balances" on the government-wide statements.

C. Interfund transfers for the year ended June 30, 2009, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental funds	\$ 487,000
Adult education fund	<u>35,985</u>
Total transfers in/out	<u>\$ 522,985</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials. Transfers between governmental funds and business-type activities appear as transfers on the statement of activities.

All transfers made during the fiscal year 2009 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property and tangible personal (used in business) property located in the 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 April 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 Center prior to June 30.

The Center receives property taxes from Trumbull County. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$32,992 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2008 was \$28,528 in the general fund. The amount of second-half real property taxes available for advance at fiscal year end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2008 Second Half Collections		2009 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,719,298,130	93.33	\$ 2,739,081,060	96.08
Public utility personal	98,806,640	3.39	102,753,110	3.60
Tangible personal property	<u>95,475,000</u>	<u>3.28</u>	<u>8,929,160</u>	<u>0.32</u>
Total	<u>\$ 2,913,579,770</u>	<u>100.00</u>	<u>\$ 2,850,763,330</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$2.40		\$2.40	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:

Taxes - current and delinquent	\$ 6,653,569
Accounts	14,870
Intergovernmental	90,093
Accrued interest	<u>147,077</u>
Total governmental receivables	<u>\$ 6,905,609</u>

Business-type activities:

Accounts	\$ 78,372
Intergovernmental	<u>49,966</u>
Total business-type receivables	<u>\$ 128,338</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 8 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 432,770	\$ -	\$ -	\$ 432,770
Construction-in-progress	<u>178,541</u>	<u>581,908</u>	<u>(760,449)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>611,311</u>	<u>581,908</u>	<u>(760,449)</u>	<u>432,770</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	642,348	-	-	642,348
Buildings and improvements	19,733,438	760,449	-	20,493,887
Furniture and equipment	2,819,502	164,204	(55,017)	2,928,689
Vehicles	<u>295,400</u>	<u>-</u>	<u>-</u>	<u>295,400</u>
Total capital assets, being depreciated	<u>23,490,688</u>	<u>924,653</u>	<u>(55,017)</u>	<u>24,360,324</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(491,824)	(33,198)	-	(525,022)
Buildings and improvements	(12,409,579)	(214,678)	-	(12,624,257)
Furniture and equipment	(1,825,020)	(147,432)	50,684	(1,921,768)
Vehicles	<u>(185,385)</u>	<u>(24,934)</u>	<u>-</u>	<u>(210,319)</u>
Total accumulated depreciated	<u>(14,911,808)</u>	<u>(420,242)</u>	<u>50,684</u>	<u>(15,281,366)</u>
Governmental activities capital assets, net	<u>\$ 9,190,191</u>	<u>\$ 1,086,319</u>	<u>\$ (764,782)</u>	<u>\$ 9,511,728</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 3,686
Vocational	176,494
Adult education	173,091
Support services:	
Pupil	857
Instructional staff	333
Board of education	342
Administration	4,940
Fiscal	167
Operations and maintenance	16,749
Pupil transportation	29,195
Food service operations	<u>14,388</u>
Total depreciation expense	<u>\$ 420,242</u>

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 8 - CAPITAL ASSETS - (Continued)

B. Business-type activities capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2009</u>
Business-type activities				
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures & equipment	\$ 179,713	\$ 66,528	\$ (2,580)	\$ 243,661
<i>Less: accumulated depreciation</i>				
Furniture, fixtures & equipment	<u>(147,431)</u>	<u>(7,635)</u>	<u>2,580</u>	<u>(152,486)</u>
Business-type activities capital assets, net	<u>\$ 32,282</u>	<u>\$ 58,893</u>	<u>\$ -</u>	<u>\$ 91,175</u>

NOTE 9 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2009, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
Compensated absences payable	\$ 1,694,163	\$ 211,596	\$ (399,117)	\$ 1,506,642	\$ 233,238
OASBO lease-purchase	<u>6,039,000</u>	<u>-</u>	<u>(144,000)</u>	<u>5,895,000</u>	<u>151,000</u>
Total governmental activities long-term liabilities	<u>\$ 7,733,163</u>	<u>\$ 211,596</u>	<u>\$ (543,117)</u>	<u>\$ 7,401,642</u>	<u>\$ 384,238</u>
Business-type activities:					
Compensated absences	<u>\$ 131,002</u>	<u>\$ 34,811</u>	<u>\$ (45,413)</u>	<u>\$ 120,400</u>	<u>\$ 34,811</u>
Total business-type long-term liabilities	<u>\$ 131,002</u>	<u>\$ 34,811</u>	<u>\$ (45,413)</u>	<u>\$ 120,400</u>	<u>\$ 34,811</u>

Compensated absences: Compensated absences of the governmental activities will be paid from the severance and retirement fund (a nonmajor governmental fund). Compensated absences of the business-type activities will be paid from the adult education fund.

OASBO Lease-Purchase Agreement: During fiscal year 2006, the Center entered into a lease-purchase agreement with the Ohio Association of School Business Officials' (OASBO) Expanded Asset Pooled Financing Program to finance the cost of the construction of an addition to the career center. US Bank has been designated as trustee for the agreement. The source of revenue to fund principal and interest payments is general operating revenue of the Center. The annual payments will be payable from the general fund. At June 30, 2009, the Center had outstanding borrowings of \$5,895,000.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future payments required under the OASBO lease-purchase agreement:

Fiscal Year Ending June 30	Principal	Interest	Total
2010	\$ 151,000	\$ 276,180	\$ 427,180
2011	158,000	269,106	427,106
2012	165,000	261,705	426,705
2013	172,000	253,974	425,974
2014	180,000	245,916	425,916
2015 - 2019	1,031,000	1,095,119	2,126,119
2020 - 2024	1,286,000	830,648	2,116,648
2025 - 2029	1,604,000	501,061	2,105,061
2030 - 2032	1,148,000	109,161	1,257,161
Total	<u>\$ 5,895,000</u>	<u>\$ 3,842,870</u>	<u>\$ 9,737,870</u>

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Center shall never exceed 9% of the total assessed valuation of the Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Center. The assessed valuation used in determining the Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2009, are a voted debt margin of \$255,492,129 and an unvoted debt margin of \$2,838,801.

NOTE 10 - EMPLOYEE BENEFITS

A. Compensated Absences

Sick Leave:

Each employee is entitled to fifteen days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Sick leave pay is based upon the per diem rate paid the employee at the time of the employee's retirement from the Center. An employee with five or more years of service in the Center who elects to retire from active service shall receive 1/3 of the value of his/her accrued and unused sick leave to a maximum of sixty-five days. In addition, employees with thirteen or more years of service in the Center shall receive an added sum equal to 1/8 of the accrued and unused sick leave in excess of sixty-five days (1/3 of 195 days).

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 10 - EMPLOYEE BENEFITS - (Continued)

Vacation Leave:

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Unused vacation shall be cumulative to a maximum of forty days. Each full time administrator who is required to work twelve months per year is entitled, after service of one calendar year, to twenty working days per year of vacation leave. The Treasurer and Superintendent can carryover fifty and sixty days, respectively.

B. Early Retirement Incentive

The Center provides an early retirement incentive plan for employees who are eligible for retirement under State Teachers Retirement System of Ohio (STRS Ohio) and School Employee Retirement System (SERS) guidelines and retire effective at the end of the fiscal year 2009 school year. STRS Ohio employees who enroll in the early retirement incentive plan will receive an \$18,000 payment in addition to their severance payment. SERS employees who enroll in the early retirement incentive plan will receive a \$9,000 payment in addition to their severance payment. No employees were owed an early retirement incentive payment at June 30, 2009.

C. Life Insurance

The Center provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is \$50,000 for all certified, classified and administrative staff; the level of coverage for the Superintendent and Treasurer is \$200,000 each.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Center has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$2,000,000 of each occurrence and \$5,000,000 in the aggregate. In addition, the Center maintains a \$1,000,000 umbrella liability policy.

The Center maintains replacement cost insurance on buildings and contents in the amount \$44,434,205. The Center maintains fleet insurance in the amount of \$2,000,000 for any one accident or loss.

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

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Employee Health and Dental Insurance

The Center has elected to provide employee medical/surgical benefits through a consortium of school districts known as the Trumbull County Schools Employee Insurance Benefit Consortium Association (Note 2.A.). The Consortium purchases stop loss coverage of \$125,000 through the General American Life Insurance Company and the pool covers the excess. A third party administrator, Medical Mutual, through its agent, Watson, Wyatt Worldwide located in Cleveland, Ohio, reviews and pays claims for the Consortium. The Center pays premiums to the Consortium based upon board policy and the negotiated agreements; the premium is paid by the fund that pays the salary of the employee.

Dental coverage is provided by Coresource and prescription drug coverage is provided through Medical Mutual. Premiums for coverage are on a composite basis. The Center also offers a health maintenance plan to its employees through Medical Mutual.

During fiscal year 2006, the Center established an Employee Benefits Self-Insurance Fund (an internal service fund) to account for and finance its self-insurance vision program administered by MedBen. Under this program, the Employee Benefits Self-Insurance Fund provides coverage for up to a maximum of \$2,500 for each individual covered. The Center purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. All funds of the Center participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

The claims liability of \$2,343 reported in the basic financial statements at June 30, 2009, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Claims activity for the current year is as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2009	\$ 1,660	\$ 19,761	\$ (19,078)	\$ 2,343
2008	2,208	22,363	(22,911)	1,660

C. Workers' Compensation Plan

The Center participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), a public entity risk pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. Participants of the GRP are placed in tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Sheakley Uniservice, Inc. provides administrative, cost control and actuarial services to the GRP.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute at an actuarially determined rate. The current Center rate is 14 percent of annual covered payroll. A portion of the 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 Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$166,101, \$162,153 and \$165,932, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 12 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2009, plan members were required to contribute 10 percent of their annual covered salaries. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$979,607, \$958,147 and \$940,902, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$20,387 made by the Center and \$32,769 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board have elected Social Security. The Center's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The Center participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 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 2009, the actuarially determined amount was \$35,800.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

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

The Center's contributions for health care (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007 were \$111,508, \$99,209 and \$79,170, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The Center's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$13,705, \$11,684 and \$11,283, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Center's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$75,354, \$73,704 and \$72,377, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 301,263
Net adjustment for revenue accruals	84,495
Net adjustment for expenditure accruals	176,474
Net adjustment for other sources/uses	16,821
Adjustment for encumbrances	62,372
GAAP basis	\$ 641,425

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

The Center is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The Center's management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the Center.

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 16 - STATUTORY RESERVES

The Center is required by State statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	Textbooks/ Instructional <u>Materials</u>	Capital <u>Acquisition</u>
Set-aside balance as of June 30, 2008	\$ (623,020)	\$ (5,558,526)
Current year set-aside requirement	142,430	142,430
Current year offsets	-	(300,000)
Qualifying disbursements	<u>(137,571)</u>	<u>(170,882)</u>
Total	<u>\$ (618,161)</u>	<u>\$ (5,886,978)</u>
Balance carried forward to fiscal year 2010	<u>\$ (618,161)</u>	<u>\$ (5,558,526)</u>

The Center had qualifying disbursements during the year and prior years that reduced the set-aside amounts below zero for the textbooks/instructional materials. This negative amount is presented as being carried forward to the next fiscal year.

The Center had offsets (both current year and prior year) and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve. The negative amounts due to debt related offsets are being carried forward to the next fiscal year.

SUPPLEMENTARY DATA

**TRUMBULL CAREER AND TECHNICAL CENTER
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(G) PASS-THROUGH GRANT NUMBER	(B) FEDERAL RECEIPTS	(B) FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:				
Nutrition Cluster:				
(A),(C) School Breakfast Program	10.553	2009	\$ 24,192	\$ 24,192
(A),(D) National School Lunch Program - Food Distribution	10.555	2009	10,568	10,568
(A),(C) National School Lunch Program	10.555	2009	98,058	98,058
Total National School Lunch Program			<u>108,626</u>	<u>108,626</u>
Total U.S. Department of Agriculture and Nutrition Cluster			<u>132,818</u>	<u>132,818</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE N/A (DIRECT PROGRAMS):				
Student Financial Assistance Cluster:				
(E) Federal Family Education Loans	84.032	N/A	704,533	704,533
(E) Federal Pell Grant Program	84.063	N/A	376,965	376,965
Total Student Financial Assistance Cluster			<u>1,081,498</u>	<u>1,081,498</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:				
(F) Adult Education - Basic Grants to States	84.002	2008	66,058	-
(F) Adult Education - Basic Grants to States	84.002	2009	391,476	390,065
Total Adult Education - Basic Grants to States			<u>457,534</u>	<u>390,065</u>
Career and Technical Education - Basic Grants to States	84.048	2008	122,854	125,665
Career and Technical Education - Basic Grants to States	84.048	2009	484,474	472,720
Career and Technical Education - Basic Grants to States	84.048	2009	84,576	107,355
Career and Technical Education - Basic Grants to States	84.048	2009	1,697	2,750
Total Career and Technical Education - Basic Grants to States			<u>693,601</u>	<u>708,490</u>
Safe and Drug-Free Schools and Communities-State Grants	84.186	2009	1,479	1,479
State Grants for Innovative Programs	84.298	2009	654	654
Improving Teacher Quality State Grants	84.367	2009	2,053	2,053
Total U.S. Department of Education			<u>2,236,819</u>	<u>2,184,239</u>
Total Federal Financial Assistance			<u>\$ 2,369,637</u>	<u>\$ 2,317,057</u>

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs.
- (B) This schedule was prepared on the cash basis of accounting.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at entitlement values.
- (E) Included as part of "Student Financial Assistance Cluster" in determining major programs.
- (F) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2009, the ODE authorized the following transfers:

Program Title	Number	Grant Year	Transfers Out	Transfers In
Adult Education - Basic Grants to States	84.002	2008	\$ 24,173	
Adult Education - Basic Grants to States	84.002	2009		24,173
Totals			<u>\$ 24,173</u>	<u>\$ 24,173</u>

- (G) OAKS did not assign pass through numbers for fiscal year 2009.



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Education
Trumbull Career and Technical Center
528 Educational Highway
Warren, Ohio 44483

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Trumbull Career and Technical Center, Trumbull County, Ohio, as of and for the fiscal year ended June 30, 2009, which collectively comprise Trumbull Career and Technical Center's basic financial statements and have issued our report thereon dated November 24, 2009. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trumbull Career and Technical Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Trumbull Career and Technical Center's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Trumbull Career and Technical Center's internal control over financial reporting.

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

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

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

Board of Education
Trumbull Career and Technical Center

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Trumbull Career and Technical Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
November 24, 2009



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

Board of Education
Trumbull Career and Technical Center
528 Educational Highway
Warren, Ohio 44483

Compliance

We have audited the compliance of Trumbull Career and Technical Center, Trumbull County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2009. Trumbull Career and Technical Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Trumbull Career and Technical Center's management. Our responsibility is to express an opinion on Trumbull Career and Technical 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Trumbull Career and Technical Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Trumbull Career and Technical Center's compliance with those requirements.

In our opinion, Trumbull Career and Technical Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2009.

Board of Education
Trumbull Career and Technical Center

Internal Control Over Compliance

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

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

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

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

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



Julian & Grube, Inc.
November 24, 2009

**TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Student Financial Assistance Cluster: Federal Family Education Loans - CFDA #84.032 and Federal Pell Grant Program – CFDA #84.063
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.



Julian & Grube, Inc.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Trumbull Career and Technical Center
Trumbull County
528 Educational Highway
Warren, Ohio 44483

To the Board of Education:

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

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Trumbull Career and Technical Center has adopted an anti-harassment policy in accordance with Ohio Revised 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 November 8, 2007.
2. We read the policy, noting it included the following requirements from Ohio Revised 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 Revised Code Section 3313.666;
 - (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 Ohio 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 not infringe on any student's rights under the first amendment to the Constitution of the United States.
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



Julian & Grube, Inc.
November 24, 2009



Mary Taylor, CPA
Auditor of State

TRUMBULL CAREER AND TECHNICAL CENTER

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 5, 2010**