

**COLUMBIANA COUNTY CAREER CENTER
COLUMBIANA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS

Columbiana County Career Center
Columbiana County
9364 State Route 45
Lisbon, Ohio 44432

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Columbiana County Career Center, Columbiana County, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbiana County Career Center, Columbiana County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 2 to the general purpose financial statements, the District changed its method of accounting for its deposits in a deferred compensation program during 1999 to comply with the provisions of Statement No. 32 of the Governmental Accounting Standards Board.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The accompanying schedule of 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 general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "Jim Petro".

Jim Petro
Auditor of State

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE YEAR ENDED JUNE 30, 1999**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Equity in Pooled Cash and Cash Equivalents	\$330,705	\$132,882	\$142,236	\$550,361
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	0	0
Receivables:				
Taxes	1,493,436	0	9,134	184,567
Accounts	28,318	0	0	0
Intergovernmental	0	58,665	0	0
Interfund Receivable	134,782	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	13,244	0	0	0
Restricted Assets	0	0	0	0
Equity in Pooled Cash and Cash Equivalents	80,879	0	0	0
Fixed Assets	0	0	0	0
Accumulated Depreciation	0	0	0	0
Other Debits:				
Amount in Debt Service Fund for Retirement of Debts Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$2,081,364	\$191,547	\$151,370	\$734,928
Liabilities:				
Accounts Payable	\$17,255	\$5,086	\$0	\$0
Accrued Wages and Benefits	539,840	2,737	0	0
Compensated Absences Payable	14,333	0	0	0
Interfund Payable	0	76,263	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	1,459,266	0	0	184,567
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	2,030,694	84,086	0	184,567
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved:				
Reserved for Encumbrances	27,979	5,076	0	0
Reserved for Prepaid Items	13,244	0	0	0
Reserved for Debt Service Principal	0	0	0	0
Reserved for Advances	90,446	0	0	0
Reserved for Property Taxes	34,170	0	9,134	0
Reserved for Budget Stabilization	80,879	0	0	0
Unreserved:				
Unreserved, Undesignated	(196,048)	102,385	142,236	550,361
Total Fund Equity and Other Credits	50,670	107,461	151,370	550,361
Total Liabilities, Fund Equity and Other Credits	\$2,081,364	\$191,547	\$151,370	\$734,928

The notes to the general-purpose financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Asset Account Group	General Long-Term Debt Account Group	
\$60,073	\$6,583	\$10,252	0	0	\$1,233,092
0	422,930	0	0	0	422,930
0	0	0	0	0	1,687,137
13,908	0	973	0	0	43,199
0	0	0	0	0	58,665
0	0	0	0	0	134,782
4,895	0	0	0	0	4,895
0	0	0	0	0	13,244
0	0	0	0	0	0
326,580	0	0	3,624,076	0	80,879
(251,250)	0	0	0	0	3,950,656
0	0	0	0	151,370	(251,250)
0	0	0	0	272,048	151,370
<u>\$154,206</u>	<u>\$429,513</u>	<u>\$11,225</u>	<u>\$3,624,076</u>	<u>\$423,418</u>	<u>\$7,801,647</u>
\$18,702	\$0	\$10	\$0	\$0	\$41,053
19,356	0	0	0	0	561,933
23,257	0	0	0	272,048	309,638
50,810	0	7,709	0	0	134,782
1,696	0	0	0	1,370	3,066
960	0	0	0	0	1,644,793
0	0	2,700	0	0	2,700
0	86,242	0	0	0	86,242
0	0	0	0	150,000	150,000
<u>114,781</u>	<u>86,242</u>	<u>10,419</u>	<u>0</u>	<u>423,418</u>	<u>2,934,207</u>
0	0	0	3,624,076	0	3,624,076
39,425	343,271	0	0	0	382,696
0	0	0	0	0	33,055
0	0	0	0	0	13,244
0	0	0	0	0	0
0	0	0	0	0	90,446
0	0	0	0	0	43,304
0	0	806	0	0	599,740
<u>39,425</u>	<u>343,271</u>	<u>806</u>	<u>3,624,076</u>	<u>0</u>	<u>4,867,440</u>
<u>\$154,206</u>	<u>\$429,513</u>	<u>\$11,225</u>	<u>\$3,624,076</u>	<u>\$423,418</u>	<u>\$7,801,647</u>

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Intergovernmental	\$3,529,514	\$727,166	\$45,509	\$11,951	\$4,314,140
Interest	0	0	0	63,202	63,202
Tuition and Fees	174,414	0	0	0	174,414
Rent	251	0	0	0	251
Gifts and Donations	0	280	0	0	280
Customer Services	5,000	0	0	0	5,000
Property & Other Local Taxes	1,394,644	0	178,367	218,819	1,791,830
Miscellaneous	8,262	500	0	0	8,762
Total Revenues	<u>5,112,085</u>	<u>727,946</u>	<u>223,876</u>	<u>293,972</u>	<u>6,357,879</u>
Expenditures:					
Current:					
Instruction:					
Regular	665,252	0	0	0	665,252
Special	261,360	0	0	0	261,360
Vocational	2,774,418	161,365	0	11,951	2,947,734
Adult	0	182,193	0	0	182,193
Support Services:					
Pupils	75,315	100,922	0	0	176,237
Instructional Staff	22,130	53,271	0	0	75,401
Board of Education	122,684	1,710	0	0	124,394
Administration	541,816	26,541	0	0	568,357
Fiscal	183,358	0	0	0	183,358
Operation and Maintenance of Plant	430,134	8,199	0	0	438,333
Pupil Transportation	0	3,920	0	0	3,920
Central	0	82,242	0	0	82,242
Non-Instructional Services	2,032	0	0	0	2,032
Extracurricular activities	0	0	0	0	0
Capital Outlay	26,610	0	0	77,679	104,289
Debt Service:					
Debt Service - Principal	0	0	300,000	0	300,000
Debt Service - Interest	0	0	20,261	0	20,261
Total Expenditures	<u>5,105,109</u>	<u>620,363</u>	<u>320,261</u>	<u>89,630</u>	<u>6,135,363</u>
Excess of Revenues Over (Under) Expenditures	<u>6,976</u>	<u>107,583</u>	<u>(96,385)</u>	<u>204,342</u>	<u>222,516</u>
Other Financing Sources and Uses					
Proceeds from Sale of Fixed Assets	1,781	0	0	0	1,781
Refund of Prior Year Expenditures	523	0	0	0	523
Total Other Financing Sources (Uses)	<u>2,304</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,304</u>
Excess of Rev and Other over Exp and Other...	<u>9,280</u>	<u>107,583</u>	<u>(96,385)</u>	<u>204,342</u>	<u>224,820</u>
Fund Balance at Beginning of Year	<u>41,390</u>	<u>(122)</u>	<u>247,755</u>	<u>346,019</u>	<u>635,042</u>
Fund Balance at End of Year	<u>\$50,670</u>	<u>\$107,461</u>	<u>\$151,370</u>	<u>\$550,361</u>	<u>\$859,862</u>

The notes to the general-purpose financial statements are integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>General</u>		Variance: Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$3,490,402	\$3,529,514	\$39,112
Interest	0	0	0
Tuition and Fees	111,511	146,311	34,800
Rent	251	251	0
Customer Services	5,000	5,000	
Gifts and Donations	0	0	0
Property & Other Local Taxes	1,360,437	1,387,780	27,343
Miscellaneous	7,292	8,047	755
Total Revenues	<u>4,974,893</u>	<u>5,076,903</u>	<u>102,010</u>
Expenditures:			
Current:			
Instruction:			
Regular	676,246	671,731	4,515
Special	262,700	261,313	1,387
Vocational	2,837,906	2,783,284	54,622
Adult/Continuing	0	0	0
Support Services:			
Pupils	76,722	76,127	595
Instructional Staff	33,550	32,175	1,375
Board of Education	154,614	143,687	10,927
Administration	542,410	536,511	5,899
Fiscal	183,986	179,917	4,069
Operation and Maintenance of Plant	462,512	437,856	24,656
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Capital Outlay	26,610	26,610	0
Debt Service:			
Debt Service - Principal	0	0	0
Debt Service - Interest	0	0	0
Total Expenditures	<u>5,257,256</u>	<u>5,149,211</u>	<u>108,045</u>
Excess of Revenues Over (Under) Expenditures	<u>(282,363)</u>	<u>(72,308)</u>	<u>210,055</u>
Other Financing Sources and Uses			
Refund of Prior Year Expenditures	274	523	249
Proceeds from Sale of Fixed Assets	1,782	1,782	
Advances In	67,861	75,861	8,000
Advances Out	(93,500)	(89,926)	3,574
Total Other Financing Sources (Uses)	<u>(23,583)</u>	<u>(11,760)</u>	<u>11,823</u>
Excess of Revenue and Other Uses Over/(Under) Expenses and Other Sources	<u>(305,946)</u>	<u>(84,068)</u>	<u>221,878</u>
Fund Balances at Beginning of Year	392,856	392,856	0
Prior Year Encumbrances Appropriated	66,308	66,308	0
Fund Balance at end of Year	<u>\$153,218</u>	<u>\$375,096</u>	<u>\$221,878</u>

Special Revenue			Debt Service		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
\$672,176	\$719,119	\$46,943	\$44,000	\$45,509	\$1,509
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
280	280	0	0	0	0
0	0	0	389,488	177,993	(211,495)
500	500	0	0	0	0
<u>672,956</u>	<u>719,899</u>	<u>46,943</u>	<u>433,488</u>	<u>223,502</u>	<u>(209,986)</u>
0	0	0	0	0	0
0	0	0	0	0	0
206,190	161,684	44,506	0	0	0
188,241	186,225	2,016	0	0	0
101,796	101,796	0	0	0	0
86,717	55,138	31,579	0	0	0
1,710	1,710	0	0	0	0
26,541	26,541	0	0	0	0
0	0	0	0	0	0
8,199	8,199	0	0	0	0
3,920	3,920	0	0	0	0
83,171	83,171	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	300,000	300,000	0
0	0	0	20,261	20,261	0
<u>706,485</u>	<u>628,384</u>	<u>78,101</u>	<u>320,261</u>	<u>320,261</u>	<u>0</u>
<u>(33,529)</u>	<u>91,515</u>	<u>125,044</u>	<u>113,227</u>	<u>(96,759)</u>	<u>(209,986)</u>
0	0	0	0	0	0
73,278	84,263	10,985	0	0	0
<u>(75,751)</u>	<u>(75,751)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(2,473)</u>	<u>8,512</u>	<u>10,985</u>	<u>0</u>	<u>0</u>	<u>0</u>
(36,002)	100,027	136,029	113,227	(96,759)	(209,986)
11,324	11,324	0	238,995	238,995	0
15,150	15,150	0	0	0	0
<u>(\$9,528)</u>	<u>\$126,501</u>	<u>\$136,029</u>	<u>\$352,222</u>	<u>\$142,236</u>	<u>(\$209,986)</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999
(Continued)

	Capital Projects		Variance: Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Intergovernmental	\$11,951	\$11,951	\$0
Interest	62,000	63,202	1,202
Tuition and Fees	0	0	0
Rent	0	0	0
Customer Services			
Gifts and Donations	0	0	0
Property & Other Local Taxes	0	218,819	218,819
Miscellaneous	0	0	0
Total Revenues	<u>73,951</u>	<u>293,972</u>	<u>220,021</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	11,951	11,951	0
Adult/Continuing	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Capital Outlay	85,894	77,679	8,215
Debt Service:			
Debt Service - Principal	0	0	0
Debt Service - Interest	0	0	0
Total Expenditures	<u>97,845</u>	<u>89,630</u>	<u>8,215</u>
Excess of Revenues Over (Under) Expenditures	<u>(23,894)</u>	<u>204,342</u>	<u>228,236</u>
Other Financing Sources and Uses			
Refund of Prior Year Expenditures	0	0	0
Proceeds from Sale of Fixed Assets			
Advances In	0	0	0
Advances Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenue and Other Uses			
Over/(Under) Expenses and Other Sources	<u>(23,894)</u>	<u>204,342</u>	<u>228,236</u>
Fund Balances at Beginning of Year	306,861	306,861	0
Prior Year Encumbrances Appropriated	39,159	39,159	0
Fund Balance at end of Year	<u>\$322,126</u>	<u>\$550,362</u>	<u>\$228,236</u>

The notes to the general-purpose financial statements are an integral part of this statement.

Totals (Memorandum Only)

Budget	Actual	Variance: Favorable (Unfavorable)
\$4,218,529	\$4,306,093	\$87,564
62,000	63,202	1,202
111,511	146,311	34,800
251	251	0
280	280	0
1,749,925	1,784,592	34,667
7,792	8,547	755
<u>6,155,288</u>	<u>6,314,276</u>	<u>158,988</u>
676,246	671,731	4,515
262,700	261,313	1,387
3,056,047	2,956,919	99,128
188,241	186,225	2,016
178,518	177,923	595
120,267	87,313	32,954
156,324	145,397	10,927
568,951	563,052	5,899
183,986	179,917	4,069
470,711	446,055	24,656
3,920	3,920	0
83,171	83,171	0
0	0	0
112,504	104,289	8,215
300,000	300,000	0
20,261	20,261	0
<u>6,381,847</u>	<u>6,187,486</u>	<u>194,361</u>
<u>(226,559)</u>	<u>126,790</u>	<u>353,349</u>
274	523	249
141,139	160,124	18,985
(169,251)	(165,677)	3,574
<u>(26,056)</u>	<u>(3,248)</u>	<u>22,808</u>
(252,615)	123,542	376,157
950,036	950,036	0
120,617	120,617	0
<u>\$818,038</u>	<u>\$1,194,195</u>	<u>\$376,157</u>

**COMBINED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Proprietary Fund Types</u>		
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Operating Revenues:			
Tuition	\$205,742	\$0	\$205,742
Sales	64,228	0	64,228
Charges for Services	49,468	464,609	514,077
Other Operating Revenue	85,492	0	85,492
Total Revenues	<u>404,930</u>	<u>464,609</u>	<u>869,539</u>
Operating Expenses:			
Salaries and Wages	253,422	0	253,422
Fringe Benefits	108,625	0	108,625
Purchased Services	86,491	56,463	142,954
Materials and Supplies	218,953	0	218,953
Claims	0	472,106	472,106
Depreciation	19,289	0	19,289
Capital Outlay	(10,000)	0	(10,000)
Other Operating Expenses	501	0	501
Total Operating Expenses	<u>677,281</u>	<u>528,569</u>	<u>1,205,850</u>
Operating Income (Loss)	<u>(272,351)</u>	<u>(63,960)</u>	<u>(336,311)</u>
Non-Operating Revenues :			
Federal Donated Commodities	2,947	0	2,947
Interest	0	19,002	19,002
Federal and State Subsidies	171,501	0	171,501
Other Operating Expenses	23,992	0	23,992
Total Non-Operating Revenues	<u>198,440</u>	<u>19,002</u>	<u>217,442</u>
Net Loss	<u>(73,911)</u>	<u>(44,958)</u>	<u>(118,869)</u>
Retained Earnings (Deficit) at Beginning of Year	<u>113,337</u>	<u>388,229</u>	<u>501,566</u>
Retained Earnings (Deficit) at End of Year	<u>39,426</u>	<u>343,271</u>	<u>382,697</u>
Total Fund Equity at End of Year	<u>\$39,426</u>	<u>\$343,271</u>	<u>\$382,697</u>

The notes to the general-purpose financial statements are an integral part of this statement.

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

	Proprietary Fund Types		Totals Memorandum Only
	Enterprise	Internal Service	
Increase/(Decrease) in Cash & Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Sales	\$64,228	\$0	\$64,228
Cash Received from Charges for Services	49,467	464,609	514,076
Cash Received from Tuition and Fees	197,315	0	197,315
Other Cash Receipts	86,017	0	86,017
Cash Pmts. to Suppliers for Goods & Service	(216,509)	0	(216,509)
Cash Payments for Contract Services	(68,541)	(44,050)	(112,591)
Cash Payments for Employee Services	(263,735)	0	(263,735)
Cash Payments for Employee Benefits	(93,444)	0	(93,444)
Other Cash Payments	(500)	(472,106)	(472,606)
Net Cash Provided by (Used for) Operating Activities	(245,702)	(51,547)	(297,249)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	188,170	0	188,170
Advances In	4,721	0	4,721
Nonoperating Revenues	23,992	0	23,992
Net Cash Provided by (Used for) Noncapital Financing Activities	216,883	0	216,883
Cash Flows from Investing Activities:			
Interest on Investments	0	19,002	19,002
Net Cash Provided by (Used for) Investing Activities	0	19,002	19,002
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(31,649)	0	(31,649)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(31,649)	0	(31,649)
Net Increase (Decrease) in Cash and Cash Equivalents	(60,468)	(32,545)	(93,013)
Cash & Cash Equivalents at Beginning of Year	120,541	462,058	582,599
Cash & Cash Equivalents at End of Year	\$60,073	\$429,513	\$489,586
Reconciliation of Operating Income (loss) to Net			
Cash Provided by (Used for) Operating Activities:			
Operating Loss	(\$272,351)	(\$63,960)	(\$336,311)
Adjustments to Reconcile Operating Loss			
To Net Cash Provided by (Used for) Operating Activities:			
Depreciation	19,289	0	19,289
Donated Commodities Used During the Year	2,947	0	2,947
Non Cash Transactions	(31,391)	0	(31,391)
(Increase) Decrease in Assets:			
Accounts Receivable	8,767	0	8,767
Material and Supplies Inventory	(1,103)	0	(1,103)
Intergovernmental Receivable	0	0	0
Increase (Decrease) in Liabilities:			
Compensated Absences Payable	6,873	0	6,873
Claims Payable	0	12,413	12,413
Intergovernmental Payable	1,858	0	1,858
Deferred Revenue	740	0	740
Accounts Payable	17,810	0	17,810
Accrued Wages and Benefits	859	0	859
Total Adjustments	26,649	12,413	39,062
Net Cash Provided by (Used for) Operating Activities	(\$245,702)	(\$51,547)	(\$297,249)

The notes to the general-purpose financial statements are an integral part of this statement.

Notes to the General Purpose Financial Statements
June 30, 1999

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Columbiana County Career Center (the "School District") is organized under section 3311.88 of the Ohio Revised Code. The School District provides vocational education for 9 school districts serving all eligible students throughout 501 square miles of eastern Ohio, including Columbiana and portions of Mahoning, and Jefferson counties. The School District fosters cooperative relationships with business and industry, professional organizations, participating school districts, and other interested, concerned groups and organizations to consider, plan, and implement educational programs designed to meet the common needs and interest of students.

A. Reporting Entity:

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

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

The School District is associated with two organizations which are defined as a jointly governed organization and an insurance purchasing pool. These organizations include the Area Cooperative Computerized Educational Service System, and the Ohio School Boards Association Worker's Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the general purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Columbiana County Career Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

1. Governmental Fund Types

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

Capital Projects Funds

The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

2. Proprietary Fund Types

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

Enterprise Funds

Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent 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 where it has been 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.

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

3. Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

4. Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the School District *except those accounted for in the proprietary funds.*

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

All proprietary funds 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 balance sheet. Fund equity (i.e., net total assets) is segregated into retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 1999 operations, have been recorded as deferred revenue.

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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

1. Tax Budget

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 express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Columbiana County Budget Commission for rate determination.

2. Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District 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 the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999. At year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

3. Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

4. Encumbrances

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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. During fiscal year 1999, investments were limited to repurchase agreements and STAR Ohio. All investments of the School District had a maturity of two years or less. Investments are stated at cost or amortized cost. Investment earnings are allocated as authorized by State statute.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

E. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

- Adult Basic Education
- Vocational Education
- Title VI
- Consumer Education Projects
- Career Development
- Post Secondary Vocational Education
- Teacher Development
- Management Information Systems
- SchoolNet Professional Development
- Miscellaneous Federal Grants

Reimbursable Grants

Proprietary Funds

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements amounted to approximately 59 percent of the School District's operating revenue during the 1999 fiscal year.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

I. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave for employees after 20 years of current service with the School District, or after 15 years of service and at least 45 years of age or after 10 years of service and at least 50 years old. The current portion of unpaid compensated absences is the amount expected to be paid using available expendable 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 remainder is reported in the *general long-term obligations account group*. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group *to the extent that they will not be paid with current available expendable financial resources*. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent amounts required by statute to be set-aside for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 18 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

N. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for 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 prepayments, encumbrances, budget stabilization, textbook purchases, capital acquisition and long-term advances to other funds.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

O. Accounting Change – Deferred Compensation Plan

In accordance with Statement No. 2 of the GASB, *Financial Reporting of Deferred Compensation Plan Adopted Under the Provisions of Internal Revenue Code Section 457*, the Authority used an agency fund to account for monies deposited by its employees in a deferred compensation plan prior to 1998 because the monies were the property of the Authority (until paid or made available to the employee or beneficiary) subject to the claims of the Authority's general creditors. Internal Revenue Code Section 457 was amended during 1996 requiring deferred compensation plans to transfer all of their deposits into a newly established trust for the exclusive benefit of plan participants and their beneficiaries by January 1, 1999. During 1998, the Ohio Public Employees Deferred Compensation Plan (the "Plan") was amended to establish such a trust and all of the Plan's assets were deposited into the trust. Accordingly, during 1998, the Authority applied the provisions of Statement No. 32 of the GASB, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and has excluded the amounts deposited in the Plan by the Authority employees from the accompanying June 30, 1999 balance sheet.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

P. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. ACCOUNTABILITY

At June 30, 1999, the Adult Basic Education, Career Guidance Grant, and Uniform School Supplies Funds had deficit fund balances of \$1,458, \$19,577 and \$40,273, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

4. BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental fund Types

	General	Special Revenue	Debt Service	Capital Projects
Budget Basis	(\$84,068)	\$100,027	(\$96,760)	\$204,342
Net Adjustment for Revenue Accruals	35,182	8,047	375	0
Net Adjustment for Expenditure Accruals	7,614	1,640	0	0
Net Adjustment for Other Sources/Uses	14,065	(8,512)	0	0
Adjustment for Encumbrances	36,487	6,381	0	0
GAAP Basis	<u>\$9,280</u>	<u>\$107,583</u>	<u>(\$96,385)</u>	<u>\$204,342</u>

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

5. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District 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 School District Treasury, in commercial accounts payable or withdrawal 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 two 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.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation, 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.

New legislation, effective September 27, 1996, permits interim monies to be deposited or invested in the following securities:

1. Bonds, notes, or other obligations guaranteed by the United States;
2. Bonds, notes, or other obligations issued by any federal government agency;
3. Certificates of deposit in accordance with Section 135.32 of the Ohio Revised Code;
4. Written repurchase agreements in the securities listed above provided that the market value of any securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and to be marked to market daily, and that the term of the agreement must not exceed thirty days;
5. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of Ohio or its political subdivisions;
6. The Ohio State Treasurer's investment pool (STAR);
7. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made through eligible institutions;
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse purchase 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

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

date of purchase unless matched to a specific obligation or debt of the School District, 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.

Funds invested by fiscal agents are determined by trust agreements and bond indentures. Like the cash invested by the District Treasurer, eligible investments include U.S. government obligations, U.S. government agencies, and certificate of deposit.

Any public depository, at the time it receives a District deposit or investment in a certificate of deposit, is required to pledge to the investing authority as collateral eligible securities of aggregate market value that, when added to the portion of the deposit insured by the Federal Deposit Insurance Corporation or the Savings Association Fund, equals or exceeds the amount of District funds deposited.

A public depository may at its option pledge a single pool of eligible securities to secure the repayment of all public monies held by the depository. The pool of securities so pledged must have a current market value at least equal to 110 percent of all public monies on deposit with the depository including the amount covered by federal insurance.

At fiscal year end, the School District had \$365 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$376,537 and the bank balance was \$489,669. Of the bank balance, \$235,316 was covered by federal depository insurance and \$254,353 was covered by other collateral. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Funds Held by Fiscal Agent: The District participates in the Columbiana County Insurance Consortium for employee benefits. The bank balance at fiscal year end for the Employee Benefit Self-Insurance Fund was \$422,930. All benefit deposits are made to the consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the consortium.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in deferred compensation and STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Carrying Value</u>	<u>Market Value</u>
STAR Ohio	<u>\$937,068</u>	<u>\$937,068</u>
Totals	<u>\$937,068</u>	<u>\$937,068</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB 9 Cash	\$1,736,891	\$0
Cash on Hand	(365)	0
Investments:		
STAR Ohio	<u>(937,068)</u>	<u>937,068</u>
GASB Statement 3	<u>\$799,458</u>	<u>\$937,068</u>

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Columbiana, Mahoning, Jefferson and Carroll Counties. The County Auditors periodically advance to the School District its portion of the taxes

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

collected. Second-half real property tax payments collected by June 30, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$34,170 in the General Fund and \$9,134 in the Bond Retirement Debt Service Fund.

The assessed values upon which fiscal year 1999 taxes were collected are:

	Amount
Agricultural/Residential and Other Real Estate	\$515,893,220
Commercial/Industrial	96,204,300
Minerals	623,560
Public Utility	80,273,380
Tangible Personal Property	55,647,980
Total Assessed Value	\$748,642,440
Tax rate per \$1,000 of assessed valuation	\$3.55

7. RECEIVABLES

Receivables at June 30, 1999, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of receivables follows:

	Amounts
General Fund	
Taxes	\$1,493,436
Accounts	28,318
Special Revenue Funds	
Intergovernmental	58,665
Debt Service Fund	
Taxes	9,134
Capital Project Funds	
Taxes	184,567
Enterprise Funds	
Accounts	13,908
Agency Fund	
Accounts	973
Total Receivables	\$1,789,001

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

8. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$306,851
Buildings and Improvements	19,729
Less: Accumulated Depreciation	<u>(251,250)</u>
Net Fixed Assets	<u>\$75,330</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

<u>Asset Category</u>	<u>Balance at 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/99</u>
Land and Improvements	\$ 389,079	\$0	\$0	\$389,079
Buildings and Improvements	557,960	84,652	0	642,612
Furniture and Equipment	2,370,503	160,621	13,115	2,518,009
Vehicles	82,667	0	8,291	74,376
Totals	<u>\$3,400,209</u>	<u>\$245,273</u>	<u>\$21,406</u>	<u>\$3,624,076</u>

9. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District's insurance coverage was as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Liability Limit</u>
Building and Contents-replacement cost	\$2,500	\$16,556,300
Inland Marine Coverage	2,500	30,000
Automobile Liability		2,000,000
Uninsured Motorists		1,000,000
General Liability		
Per occurrence		1,000,000
Per year		5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

For fiscal year 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The School District is a member of a claims servicing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$86,242 reported in the internal service fund at June 30, 1999 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1998	\$66,373	\$381,651	\$374,195	\$73,829
1999	\$73,829	\$398,277	\$385,864	\$86,242

10. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The Columbiana County Career Center contributes to the School Employees Retirement System of Ohio (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 state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System 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 SERS, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of the annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$72,881, \$73,464, and \$65,717, respectively; equal to 100 percent of the required contributions for each fiscal year.

State Teachers Retirement System

The Columbiana County Career Center contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system. The plan offers comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. Benefits are established by Chapter 3307, of the Ohio Revised Code. STRS 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 STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 1999, were 9.3 percent of covered payroll for members and 14 percent for employers. Contribution rates are established by the State Teachers Retirement Board upon recommendations of its consulting actuary, not to exceed statutory maximum rate of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$480,675, \$478,717, and \$448,661, respectively; equal to 100 percent of the required contributions for each fiscal year.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

11. POSTEMPLOYMENT BENEFITS

A. State Teachers Retirement System of Ohio

The State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The board currently allocates employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. The balance in the Health Care Reserve Fund was \$2,156 million at June 30, 1998. The Health Care Reserve Fund allocation for the year ended June 30, 1999, will be eight percent of covered payroll. For the year ended June 30, 1998, the net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

B. School Employees Retirement System of Ohio

The Ohio Revised Code gives SERS the discretionary authority to provide post-retirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 1998, the allocation rate is 4.98 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1998, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, the Retirement System's net assets available for payment of health care benefits was \$160.3 million. The number of participants currently receiving health care benefits is approximately 50,000. The portion of your employer contributions that were used to fund post-employment benefits can be determined by multiplying actual employer contributions times .3557, then adding the surcharge due as of June 30, 1998, as certified to your district by SERS.

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 312 days for administrators, 270 days for classified and 269 for certified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 78 days for administrators, 47 days for classified employees and 67 days for certified employees.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Safeco Life Insurance Company.

13. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	Balance at 07/01/98	Additions	Deductions	Balance At 06/30/99
Roof Repair Notes	\$450,000	\$0	\$300,000	\$150,000
Pension Obligation	3,691	0	2,321	1,370
Compensated Absences	226,334	45,714	0	272,048
Total Long-Term Obligations	\$680,025	\$45,714	\$302,321	\$423,418

Roof Repair Notes - On August 1, 1994, Columbiana County Career Center issued \$1,500,000 in notes for the purpose of roof repairs to the joint vocational school building. The notes were issued for a five year period with final maturity at October 30, 1999. The notes will be retired from the debt service fund.

Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

The School District's voted legal debt margin was \$67,227,820 with an unvoted debt margin of \$748,6422 at June 30, 1999.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 1999, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2000	\$150,000	\$4,061	\$154,061
Total	\$150,000	\$4,061	\$154,061

14. INTERFUND ACTIVITY

As of June 30, 1999, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivables	Interfund Payables
General Fund	\$134,782	\$0
Special Revenue Fund:		
Consumer Education Projects	0	1,800
Career Development	0	6,376
Post Secondary Vocational Ed	0	3,000
Adult Basic Education	0	9,773
Vocational Education	0	55,314
Miscellaneous State Grants	0	0
Enterprise Funds:		
Food Service	0	10,434
Uniform School Supplies	0	40,376
Agency Fund:		
Student Managed Activity	0	7,709
Total All Funds	\$134,782	\$134,782

15. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains four enterprise funds to account for the operations of food service, uniform school supplies, rotary, and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Columbiana County Career Center as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Rotary	Adult Education	Total Enterprise Funds
Operating Revenues	\$71,576	\$27,127	38,508	267,719	\$404,930
Depreciation Expense	16,145	0	0	3,144	19,289
Operating Income (Loss)	(89,266)	(5,197)	1,641	(179,529)	(272,351)
Donated Commodities	2,947	0	0	0	2,947
Grants	49,683	0	0	121,818	171,501
Net Income (Loss)	(12,845)	(5,197)	1,842	(57,711)	(73,911)
Fixed Asset Additions	0	0	0	41,649	41,649
Net Working Capital	(7,641)	(40,273)	23,610	(11,601)	(35,905)
Total Assets	\$26,016	\$103	\$23,814	\$104,273	\$154,206
Total Liabilities	\$14,022	\$40,376	\$204	\$60,179	\$114,781
Total Equity	\$11,994	(\$40,273)	\$23,610	\$44,094	\$39,425

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

16. JOINTLY GOVERNED ORGANIZATION

Area Cooperative Computerized Educational Service System - Area Cooperative Computerized Educational Service System (ACCESS), a not-for-profit computer service, is a joint venture, among 24 districts within Mahoning and Columbiana counties. ACCESS is governed by an assembly consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the assembly. Members of ACCESS are assessed annual user fees and periodic capital improvement fees based on their average daily membership. The members do have an ongoing financial interest in ACCESS, however, they do not have an equity interest.

17. INSURANCE PURCHASING POOL

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

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

18. SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside from the general fund an amount based on prior year revenues for purchase of textbooks and other instructional materials and an additional amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

The following information describes year-to-year changes in the set-aside amounts for textbooks, capital improvements, and budget stabilization. Disclosure of this information is required by State statute.

Notes to the General Purpose Financial Statements
June 30, 1999
(Continued)

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998			\$ 33,301	\$ 33,301
Current Year Set-aside Requirement	\$ 95,155	\$ 95,155	47,578	237,888
Current Year Offsets	0	(63,202)	0	(63,202)
Qualifying Disbursements	(174,004)	(50,337)	0	(224,341)
Total	(78,849)	(18,384)	80,879	(16,354)
Cash Balance Carried Forward to FY 2000	0	0	80,879	
Amount restricted for Budget Stabilization				80,879
Total Restricted Assets				\$80,879

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

19. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

20. SCHOOL FUNDING COURT DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$3,320,156 of school foundation support for all funds.

Since the Supreme Court Ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsible to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of this report, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED June 30, 1999**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Lunch Program	04-PU-98	10.555	\$7,770	\$0	\$7,770	\$0
	04-PU-99		38,902	0	38,902	0
Food Distribution (B)	03-PU-99	10.550	0	3,685	0	2,947
Total U.S. Department of Agriculture - Nutrition Cluster			46,672	3,685	46,672	2,947
U.S. DEPARTMENT OF EDUCATION						
ERATE Grant	N/A	84.XXX	22,272	0	12,734	0
<i>Passed Through Ohio Department of Education:</i>						
Innovative Education Program Strategies	C2-S1-99	84.298	2,919	0	3,103	0
Adult Education State Grant Program	AB-S1-98	84.002	3,355	0	3,355	0
	AB-S1-98C		10,155	0	10,155	0
	AB-S1-99		50,328	0	50,328	0
Total Adult Education			63,838	0	63,838	0
Vocational Education Basic Grants to States	20-A4-98	84.048	12,364	0	12,364	0
	20-A4-99		72,434	0	93,217	0
	20-A5-97		4,770	0	4,770	0
	20-A5-99		27,795	0	32,475	0
	20-C1-98		29,838	0	39,351	0
	20-C1-99		173,958	0	203,351	0
	20-C2-98		8,294	0	6,294	0
	20-C2-99		39,258	0	46,186	0
Total Vocational Education			366,711	0	438,008	0
Comprehensive School Reform	RF-S1-99	84.332	75,000	0	5,680	0
Pell Grant	N/A	84.063	38,040	0	38,040	0
Total Department of Education			568,780	0	561,403	0
Total Federal Financial Assistance			\$815,452	\$3,685	\$608,075	\$2,947

The notes to the schedule of federal awards receipts and expenditures are an integral part of this schedule.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared using the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair value of commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State Grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Government Center
242 Federal Plaza Suite 302
Youngstown, Ohio 44503

Telephone 330-797-9900
800-443-9271

Facsimile 330-797-9949

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Columbiana County Career Center
Columbiana County
9364 State Route 45
Lisbon, Ohio 44432

To the Board of Education:

We have audited the financial statements of Columbiana County Career Center, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to management of the District in a separate letter dated December 17, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements in amounts that would be material in relation to the financial statements being audited may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated December 17, 1999.

This report is intended for the information and use of management, Board of Education, 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 black ink, appearing to read "Jim Petro". The signature is written in a cursive style with a large, sweeping initial "J" and "P".

Jim Petro
Auditor of State

December 17, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Columbiana County Career Center
Columbiana County
9364 State Route 45
Lisbon, Ohio 44432

To the Board of Education:

Compliance

We have audited the compliance of Columbiana County Career Center (the District) 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 each of its major federal programs for the year ended June 30, 1999. The District'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 each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Columbiana County Career Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of, management, Board of Education, 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.



Jim Petru
Auditor of State

December 17, 1999

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion.	UNQUALIFIED
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level. (GAGAS)?	NO
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level. (GAGAS)?	NO
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	NO
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	NO
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	NO
(d)(1)(v)	Type of Major Programs' Compliance Opinion.	UNQUALIFIED
(d)(1)(vi)	Are there any reportable findings under § .510?	NO
(d)(1)(vii)	Major Programs (list): Vocational Education	CFDA#84.048
(d)(1)(viii)	Dollar Threshold: Type A/B Programs:	A->\$300,000 B-ALL REMAINING PROGRAMS
(d)(1)(ix)	Low Risk Auditee?	YES

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

Finding Number	
NONE	

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	
NONE	



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**COLUMBIANA COUNTY CAREER CENTER
COLUMBIANA 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.

By: *Susan Babbitt*
Clerk of the Bureau

Date: **MAR 16 2000**