



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY**

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**STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Columbiana County Career Center  
Columbiana County  
9364 State Route 45  
Lisbon, Ohio 44432-9585

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Columbiana County Career Center, Columbiana County, Ohio (the District) as of and for the year ended June 30, 2000, 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, 2000, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2000 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 federal awards receipts and expenditures 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.

**Jim Petro**  
Auditor of State

December 29, 2000

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COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$480,449	\$122,306	\$706,024
Cash and Cash Equivalents:			
With Fiscal Agents			
Receivables:			
Taxes	1,673,356		
Accounts	59,484		
Intergovernmental		72,060	
Accrued Interest	1,554		
Interfund Receivable	146,478		
Materials and Supplies Inventory			
Prepaid Items	14,920		
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	80,879		
Fixed Assets			
Accumulated Depreciation			
<b>Other Debits:</b>			
Provided from General Government Resources			
<b>Total Assets and Other Debits</b>	<u>\$2,457,120</u>	<u>\$194,366</u>	<u>\$706,024</u>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>			
<b>Liabilities:</b>			
Accounts Payable	\$3,984	\$5,735	
Contracts Payable	67,171		\$24,078
Accrued Wages and Benefits	425,405	3,464	
Compensated Absences Payable	17,062		
Interfund Payable		72,060	
Intergovernmental Payable			
Deferred Revenue	1,638,423		
Due to Students			
Claims Payable			
<b>Total Liabilities</b>	<u>2,152,045</u>	<u>81,259</u>	<u>24,078</u>
<b>Fund Equity and Other Credits:</b>			
Investment in General Fixed Assets			
Retained Earnings:			
Unreserved			
Fund Balances:			
Reserved:			
Reserved for Encumbrances	89,009	6,019	
Reserved for Prepaid Items	14,920		
Reserved for Advances	102,142		
Reserved for Property Taxes	34,933		
Reserved for Budget Stabilization	80,879		
Unreserved:			
Unreserved, Undesignated	(16,808)	107,088	681,946
<b>Total Fund Equity and Other Credits</b>	<u>305,075</u>	<u>113,107</u>	<u>681,946</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$2,457,120</u>	<u>\$194,366</u>	<u>\$706,024</u>

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 Assets	General Long-Term Obligations	
\$113,894	\$6,582	\$2,016,894			\$3,446,149
	352,355				352,355
					1,673,356
2,795					62,279
7,221					79,281
					1,554
					146,478
4,908					4,908
					14,920
					80,879
403,839 (274,654)			\$4,157,924		4,561,763 (274,654)
				\$308,108	308,108
<u>\$258,003</u>	<u>\$358,937</u>	<u>\$2,016,894</u>	<u>\$4,157,924</u>	<u>\$308,108</u>	<u>\$10,457,376</u>
\$9,579					\$19,298
					91,249
12,692					441,561
23,379				\$306,898	347,339
66,709		\$7,709			146,478
1,060				1,210	2,270
663					1,639,086
	\$67,470	3,472			3,472
	<u>67,470</u>				<u>67,470</u>
<u>114,082</u>	<u>67,470</u>	<u>11,181</u>		<u>308,108</u>	<u>2,758,223</u>
			\$4,157,924		4,157,924
143,921	291,467				435,388
					95,028
					14,920
					102,142
					34,933
					80,879
		2,005,713			2,777,939
<u>143,921</u>	<u>291,467</u>	<u>2,005,713</u>	<u>4,157,924</u>		<u>7,699,153</u>
<u>\$258,003</u>	<u>\$358,937</u>	<u>\$2,016,894</u>	<u>\$4,157,924</u>	<u>\$308,108</u>	<u>\$10,457,376</u>

COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types	
	General	Special Revenue
<b>Revenues:</b>		
Intergovernmental	\$3,944,694	\$958,177
Interest		
Tuition and Fees	91,185	
Rent	276	
Gifts and Donations	30,025	
Property & Other Local Taxes	1,481,342	
Miscellaneous	17,577	
Total Revenues	5,565,099	958,177
<b>Expenditures:</b>		
Instruction:		
Regular	413,720	1,745
Special	205,903	
Vocational	3,158,897	329,526
Adult/Continuing		192,769
Support services:		
Pupils	85,929	123,532
Instructional Staff	24,569	83,629
Board of Education	90,156	
Administration	519,720	19,807
Fiscal	177,710	
Operation and Maintenance of Plant	487,155	9,690
Central		86,026
Non-Instructional Services	1,800	
Capital Outlay	158,747	105,807
Debt Service		
Debt Service - Principal		
Debt Service - Interest		
Total Expenditures	5,324,306	952,531
Excess of Revenues Over (Under) Expenditures	240,793	5,646
<b>Other Financing Sources and Uses</b>		
Proceeds from Sale of Fixed Assets	13,605	
Refund of Prior Year Expenditures	7	
Total Other Financing Sources (Uses)	13,612	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	254,405	5,646
Fund Balance at Beginning of Year	50,670	107,461
<b>Fund Balance at End of Year</b>	<b>\$305,075</b>	<b>\$113,107</b>

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

<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
<b>Debt Service</b>	<b>Capital Projects</b>	
	\$24,291	\$4,927,162
	71,351	71,351
		91,185
		276
		30,025
\$2,714	190,582	1,674,638
		17,577
<u>2,714</u>	<u>286,224</u>	<u>6,812,214</u>
		415,465
		205,903
	1,049	3,489,472
		192,769
		209,461
		108,198
		90,156
		539,527
		177,710
		496,845
		86,026
		1,800
	153,590	418,144
150,000		150,000
<u>4,084</u>		<u>4,084</u>
<u>154,084</u>	<u>154,639</u>	<u>6,585,560</u>
<u>(151,370)</u>	<u>131,585</u>	<u>226,654</u>
		13,605
		<u>7</u>
		<u>13,612</u>
(151,370)	131,585	240,266
<u>151,370</u>	<u>550,361</u>	<u>859,862</u>
	<b><u>\$681,946</u></b>	<b><u>\$1,100,128</u></b>

**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	<b>Governmental Fund Types</b>		
	<b>General</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance: Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Intergovernmental	\$3,941,336	\$3,944,694	\$3,358
Interest			
Tuition and Fees	63,103	63,103	
Rent	276	276	
Gifts and Donations	30,025	30,025	
Property & Other Local Taxes	1,479,728	1,480,579	851
Miscellaneous	12,720	12,849	129
<b>Total Revenues</b>	<b>5,527,188</b>	<b>\$5,531,526</b>	<b>4,338</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	472,433	472,433	
Special	223,873	223,873	
Vocational	3,192,579	3,190,336	2,243
Adult/Continuing			
Support services:			
Pupils	85,387	85,362	25
Instructional Staff	24,802	24,802	
Board of Education	118,025	100,106	17,919
Administration	528,656	525,325	3,331
Fiscal	180,753	180,216	537
Operation and Maintenance of Plant	521,877	509,444	12,433
Central			
Non-Instructional Services	1,800	1,800	
Capital Outlay	122,542	229,730	(107,188)
Debt Service			
Debt Service - Principal			
Debt Service - Interest			
<b>Total Expenditures</b>	<b>5,472,727</b>	<b>5,543,427</b>	<b>(70,700)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>54,461</b>	<b>(11,901)</b>	<b>(66,362)</b>
<b>Other Financing Sources and Uses</b>			
Proceeds from Sale of Fixed Assets	13,605	13,605	
Refund of Prior Year Expenditures		7	7
Advances In	79,955	79,955	
Advances Out	(91,561)	(91,561)	
<b>Total Other Financing Sources (Uses)</b>	<b>1,999</b>	<b>2,006</b>	<b>7</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>56,460</b>	<b>(9,895)</b>	<b>(66,355)</b>
Fund Balances at Beginning of Year	375,095	375,095	
Prior Year Encumbrances Appropriated	36,488	36,488	
<b>Fund Balance at end of Year</b>	<b>\$468,043</b>	<b>\$401,688</b>	<b>(\$66,355)</b>

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

**Governmental Fund Types**

<b>Special Revenue</b>			<b>Debt Service</b>		
<b>Budget</b>	<b>Actual</b>	<b>Variance: Favorable (Unfavorable)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance: Favorable (Unfavorable)</b>
\$945,568	\$942,912	(\$2,656)			
			\$11,848	\$11,848	
<u>945,568</u>	<u>942,912</u>	<u>(2,656)</u>	<u>11,848</u>	<u>11,848</u>	
350,586	339,680	10,906			
191,824	191,824				
124,303	124,303				
83,415	83,415				
19,715	19,715				
9,690	9,690				
88,418	86,026	2,392			
105,807	105,807				
			150,000	150,000	
			4,084	4,084	
<u>973,758</u>	<u>960,460</u>	<u>13,298</u>	<u>154,084</u>	<u>154,084</u>	
<u>(28,190)</u>	<u>(17,548)</u>	<u>10,642</u>	<u>(142,236)</u>	<u>(142,236)</u>	
72,060	72,060				
(76,353)	(76,353)				
<u>(4,293)</u>	<u>(4,293)</u>				
(32,483)	(21,841)	10,642	(142,236)	(142,236)	
126,501	126,501		142,236	142,236	
6,381	6,381				
<u>\$100,399</u>	<u>\$111,041</u>	<u>\$10,642</u>			

(Continued)

**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)**

	<b>Governmental Fund Types</b>		
	<b>Capital Projects</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance: Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Intergovernmental	\$24,291	\$24,291	
Interest	69,000	71,351	\$2,351
Tuition and Fees			
Rent			
Gifts and Donations			
Property & Other Local Taxes	190,582	190,582	
Miscellaneous			
<b>Total Revenues</b>	<b>\$283,873</b>	<b>286,224</b>	<b>2,351</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular			
Special			
Vocational	1,049	1,049	
Other			
Support services:			
Pupils			
Instructional Staff			
Board of Education			
Administration			
Fiscal			
Operation and Maintenance of Plant			
Central			
Non-Instructional Services			
Capital Outlay	155,728	153,590	2,138
Debt Service			
Debt Service - Principal			
Debt Service - Interest			
<b>Total Expenditures</b>	<b>156,777</b>	<b>154,639</b>	<b>2,138</b>
Excess of Revenues Over (Under) Expenditures	127,096	131,585	4,489
<b>Other Financing Sources and Uses</b>			
Proceeds from Sale of Fixed Assets			
Refund of Prior Year Expenditures			
Advances In			
Advances Out			
<b>Total Other Financing Sources (Uses)</b>			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	127,096	131,585	4,489
Fund Balances at Beginning of Year	550,361	550,361	
Prior Year Encumbrances Appropriated			
<b>Fund Balance at end of Year</b>	<b>\$677,457</b>	<b>\$681,946</b>	<b>\$4,489</b>

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

**Totals (Memorandum Only)**

<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
\$4,911,195	\$4,911,897	\$702
69,000	71,351	2,351
63,103	63,103	
276	276	
30,025	30,025	
1,682,158	1,683,009	851
12,720	12,849	129
<u>6,768,477</u>	<u>6,772,510</u>	<u>4,033</u>
472,433	472,433	
223,873	223,873	
3,544,214	3,531,065	13,149
191,824	191,824	
209,690	209,665	25
108,217	108,217	
118,025	100,106	17,919
548,371	545,040	3,331
180,753	180,216	537
531,567	519,134	12,433
88,418	86,026	2,392
1,800	1,800	
384,077	489,127	(105,050)
150,000	150,000	
4,084	4,084	
<u>6,757,346</u>	<u>6,812,610</u>	<u>(55,264)</u>
<u>11,131</u>	<u>(40,100)</u>	<u>(51,231)</u>
13,605	13,605	
	7	7
152,015	152,015	
(167,914)	(167,914)	
<u>(2,294)</u>	<u>(2,287)</u>	<u>7</u>
8,837	(42,387)	(51,224)
1,194,193	1,194,193	
42,869	42,869	
<u><b>\$1,245,899</b></u>	<u><b>\$1,194,675</b></u>	<u><b>(\$51,224)</b></u>

**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	<b>Proprietary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Enterprise</b>	<b>Internal Service</b>	
<b>Operating Revenues:</b>			
Tuition	\$243,506		\$243,506
Sales	149,205		149,205
Charges for Services	31,408	\$503,267	534,675
Other Revenues	11,698		11,698
<b>Total Operating Revenues</b>	<b>435,817</b>	<b>503,267</b>	<b>939,084</b>
<b>Operating Expenses</b>			
Salaries	311,927		311,927
Fringe Benefits	64,063		64,063
Purchased Services	32,936	28,595	61,531
Materials and Supplies	231,400		231,400
Depreciation	23,404		23,404
Other	365	544,910	545,275
<b>Total Operating Expenses</b>	<b>664,095</b>	<b>573,505</b>	<b>1,237,600</b>
<b>Operating Income (Loss)</b>	<b>(228,278)</b>	<b>(70,238)</b>	<b>(298,516)</b>
<b>Non-Operating Revenues and Expenses</b>			
Federal Donated Commodities	5,877		5,877
Interest		18,434	18,434
Federal and State Subsidies	316,666		316,666
Other	10,231		10,231
<b>Total Non-Operating Revenues and Expenses</b>	<b>332,774</b>	<b>18,434</b>	<b>351,208</b>
<b>Net Income (Loss)</b>	<b>104,496</b>	<b>(51,804)</b>	<b>52,692</b>
Retained Earnings at Beginning of Year	39,425	343,271	382,696
<b>Retained Earnings at End of Year</b>	<b>\$143,921</b>	<b>\$291,467</b>	<b>\$435,388</b>

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



**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
Cash Flows from Operating Activities:			
Cash Received from Tuition	\$257,226		\$257,226
Cash Received from Sales	146,513		146,513
Cash Received from Charges for Services	31,408	\$503,267	534,675
Other Cash Receipts	11,783		11,783
Cash Payments to Suppliers for Goods and Service	(224,797)		(224,797)
Cash Payments for Contract Services	(51,434)	(47,367)	(98,801)
Cash Payments for Employee Services	(289,990)		(289,990)
Cash Payments for Employee Benefits	(93,178)		(93,178)
Other Cash Payments	(365)	(544,910)	(545,275)
Net Cash Provided (Used) by Operating Activities	(212,834)	(89,010)	(301,844)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	309,445		309,445
Other	10,231		
Advance In	19,501		
Advance Out	(3,602)		(3,602)
Net Cash Provided (Used) by Noncapital Financing Activities:	335,575		305,843
Cash Flows from Investing Activities:			
Interest Received		18,434	18,434
Net Cash Provided (Used) by Investing Activities		18,434	18,434
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(68,920)		(68,920)
Net Cash Provided (Used) by Capital and Related Financing Activities	(68,920)		(68,920)
Net Increase (Decrease) in Cash and Cash Equivalents	53,821	(70,576)	(46,487)
Cash and Cash Equivalents at Beginning of Year	60,073	429,513	489,586
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$113,894</b>	<b>\$358,937</b>	<b>\$443,099</b>
 Reconciliation of Operating Income (Loss) to Net			
Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(\$228,278)	(\$70,238)	(\$298,516)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) by Operating Activities:			
Depreciation	23,404		23,404
Donated Commodities Used During the Year	5,877		5,877
Adjustments to Capital Outlay	(8,339)		(8,339)
(Increase) Decrease in Assets:			
Accounts Receivable	11,113		11,113
Material and Supplies Inventory	(13)		(13)
Increase (Decrease) in Liabilities:			
Accounts Payable	(9,123)		(9,123)
Compensated Absences Payable	122		122
Intergovernmental Payable	(636)		(636)
Deferred Revenue	(297)		(297)
Claims Payable		(18,772)	(18,772)
Accrued Wages and Benefits	(6,664)		(6,664)
Total Adjustments	15,444	(18,772)	(3,328)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(\$212,834)</b>	<b>(\$89,010)</b>	<b>(\$301,844)</b>

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

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**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**

**NOTE 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.

*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.

**NOTE 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.

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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**A. Basis Of Presentation - Fund Accounting – (Continued)**

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.

*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).

*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:

*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.

*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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**A. Basis Of Presentation - Fund Accounting – (Continued)**

*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.

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, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**B. Measurement Focus and Basis of Accounting – (Continued)**

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.

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.

*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.

*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 2000. At year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**C. Budgetary Process – (Continued)**

*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.

*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.

*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 2000, 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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**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, 2000, 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.

**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.



**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**H. Intergovernmental Revenues – (Continued)**

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 32 percent of the School District's operating revenue during the 2000 fiscal year.

**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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**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.

**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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

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

**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, 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. 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.

**NOTE 3 - ACCOUNTABILITY**

At June 30, 2000, the Adult Education, Adult and Basic Literacy Education, Career Guidance Grant, and Uniform School Supplies Funds had deficit fund balances of \$149, \$3,099, \$692, and \$48,810, 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.

**NOTE 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).

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING – (Continued)**

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	(\$9,895)	(\$21,841)	(\$142,236)	\$131,585
Net Adjustment for Revenue Accruals	33,573	15,265	(9,134)	
Net Adjustment for Expenditure Accruals	59,482	(3,336)		(24,078)
Net Adjustment for Other Sources/Uses	11,606	4,293		
Adjustment for Encumbrances	159,639	11,265		24,078
GAAP Basis	<u>\$254,405</u>	<u>\$5,646</u>	<u>(\$151,370)</u>	<u>\$131,585</u>

**NOTE 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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)**

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 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".

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)**

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 \$181,318 and the bank balance was \$346,140. Of the bank balance, \$295,373 was covered by federal depository insurance and \$50,767 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 \$352,355. 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.

*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.

	Carrying Value	Market Value
STAR Ohio	\$3,345,346	\$3,345,346
Totals	\$3,345,346	\$3,345,346

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:

	Cash and Cash Equivalents	Investments
GASB 9 Cash	\$3,879,383	
Cash on Hand	(365)	
Cash with Fiscal Agent	(352,354)	
Investments:		
STAR Ohio	(3,345,346)	\$3,345,346
GASB Statement 3	\$181,318	\$3,345,346

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 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 collected. Second-half real property tax payments collected by June 30, 2000, are available to finance fiscal year 2001 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, 2000. 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, 2000, was \$34,933 in the General Fund.

The assessed values upon which fiscal year 2000 taxes were collected are:

	Amount
Agricultural/Residential and Other Real Estate	\$518,263,230
Commercial/Industrial	98,322,440
Minerals	605,780
Public Utility	65,039,200
Tangible Personal Property	56,912,370
Total Assessed Value	\$739,143,020
Tax rate per \$1,000 of assessed valuation	\$2.80

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2000, 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	\$1,673,356
Accounts	59,484
Interest	1,554
Special Revenue Funds	
Intergovernmental	72,060
Enterprise Funds	
Accounts	2,795
Intergovernmental	7,221
Total Receivables	\$1,816,470

**NOTE 8 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Buildings/Improvements and Equipment	\$403,839
Less: Accumulated Depreciation	(274,654)
Net Fixed Assets	\$129,185

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 6/30/99	Additions	Deletions	Balance at 6/30/00
Land and Improvements	\$389,079			\$389,079
Buildings and Improvements	642,612	\$371,430		1,014,042
Furniture and Equipment	2,518,009	137,782	\$151,081	2,504,710
Vehicles	74,376	20,265	23,366	71,275
Construction in Progress		178,818		178,818
Totals	\$3,624,076	\$708,295	\$174,447	\$4,157,924



**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 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 2000, 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 2000, 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.

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 \$67,470 reported in the internal service fund at June 30, 2000 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:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
1999	\$73,829	\$398,277	\$385,864	\$86,242
2000	\$86,242	\$573,505	\$592,277	\$67,470

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 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, 2000, 1999, and 1998 were \$76,146, \$72,881, and \$73,464, respectively; equal to 100 percent of the required contributions for each fiscal year.

**B. 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, 2000, 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, 2000, 1999, and 1998 were \$495,214, \$480,675, and \$478,717, respectively; equal to 100 percent of the required contributions for each fiscal year.

**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, 2000, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, 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 health care costs in the form of a monthly premium.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 11 - POSTEMPLOYMENT BENEFITS – (Continued)**

The Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently at 14 percent of covered payroll.

The Retirement Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8 percent of covered payroll to Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion on June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8 percent of covered payroll.

For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement 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 the basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 1999, the allocation rate is 6.30 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 1999, the minimum pay has been established as \$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.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the Retirement System's net assets available for payment of health care benefits were \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000.

The portion of your employer contributions that were used to fund postemployment benefits can be determined by multiplying actual employer contributions times .450, then adding the surcharge due as of June 30, 2000, as certified to your district by SERS.

**NOTE 12 - EMPLOYEE BENEFITS**

**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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 12 - EMPLOYEE BENEFITS – (Continued)**

**B. Life Insurance**

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

**NOTE 13 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Balance at 07/01/99	Additions	Deductions	Balance At 06/30/00
Roof Repair Notes	\$150,000		\$150,000	
Pension Obligation	1,370		160	\$1,210
Compensated Absences	272,048	\$34,850		306,898
Total Long-Term Obligations	<u>\$423,418</u>	<u>\$34,850</u>	<u>\$150,160</u>	<u>\$308,108</u>

*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, 2000. 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 \$66,576,872 with an unvoted debt margin of \$739,743 at June 30, 2000.

**NOTE 14 - INTERFUND ACTIVITY**

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivables	Interfund Payables
General Fund	\$146,478	
Special Revenue Funds:		
Consumer Education Projects		\$2,400
Career Development		6,712
Post Secondary Vocational Ed		3,000
Adult and Basic Literacy Education		8,052
Vocational Education		46,504
Miscellaneous Federal Grants		5,392
Enterprise Funds:		
Food Service		17,403
Uniform School Supplies		49,306
Agency Fund:		
Student Managed Activities		7,709
Total All Funds	<u>\$146,478</u>	<u>\$146,478</u>

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 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, 2000.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Adult Education</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$83,277	\$27,240	\$48,714	\$276,586	\$435,817
Depreciation Expense	16,844			6,560	23,404
Operating Income (Loss)	(83,408)	(8,536)	7,756	(144,090)	(228,278)
Donated Commodities	5,877				5,877
Grants	65,645			251,021	316,666
Other	9,415		816		10,231
Net Income (Loss)	(2,471)	(8,536)	8,572	106,931	104,496
Fixed Asset Additions	13,991			63,268	77,259
Net Working Capital	(7,259)	(48,810)	32,183	38,622	14,736
Total Assets	29,976	496	32,284	195,247	258,003
Total Liabilities	20,453	49,306	101	44,222	114,082
Total Equity	9,523	(48,810)	32,183	151,025	143,921

**NOTE 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.

**NOTE 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.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 18 – SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by 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 cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999			\$80,879	
Current Year Set-aside Requirement	\$137,807	\$137,807		
Current Year Offsets		(71,350)		
Qualifying Disbursements	<u>(159,838)</u>	<u>(91,576)</u>		
Total	<u>(\$22,031)</u>	<u>(\$25,119)</u>	<u>\$80,879</u>	
Cash Balance Carried Forward to FY 2001			<u>\$80,879</u>	
Amount restricted for Budget Stabilization				<u>\$80,879</u>
Total Restricted Assets				<u>\$80,879</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to 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.

**NOTE 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, 2000.

**Columbiana County Career Center**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**  
(Continued)

**NOTE 20 – STATE SCHOOL FUNDING 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 the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$1,289,487 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "the mandate of the Ohio Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "major areas warrant further attention, study, and development by the General Assembly," including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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.

**NOTE 21 – SUBSEQUENT EVENTS**

The Career Center was the fiscal agent for the Insurance Consortium from November 11, 1999 to June 30, 2000. The remaining balance was transferred out on July 1, 2000. The new fiscal agent is East Palestine City Schools.

The Alternative School Grant was transferred to the Columbiana County Educational Service Center in November 2000. The Career Center received the remaining balance for the grant in September 2000. The amounts that were transferred to the Educational Service Center included \$108,326 in cash and \$76,674 in fixed assets.

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**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Receipts	Federal Non-Cash Receipts	Federal Disbursements	Federal Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
<i>Nutrition Cluster:</i>						
Food Distribution	N/A	10.550		\$5,580		\$5,877
National School Lunch Program	04-PU 2000	10.555	54,758		54,758	
Total U.S. Department of Agriculture - Nutrition Cluster			54,758	5,580	54,758	5,877
<b>APPALACHIAN REGIONAL COMMISSION</b>						
<i>Passed Through Ohio Department of Development:</i>						
Appalachian Grant	OH-13402	23.011	28,890		32,100	
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Adult Education - State Grant Program	AB-S1 2000 AB-S1 1999 C AB-S1 1999	84.002	77,420 2,015 9,773		152,033 2,015 65	
Total Adult Education Program			89,208		154,113	
Vocational Education - Basic Grants to States	20-A4 1999 20-A5 1999 20-C1 1999 20-C1 2000 20-C2 1999 20-C2 2000	84.048	46,782 4,905 30,698 189,104 6,928 40,419		40,000 225 1,305 222,475 0 47,551	
Total Vocational Education Program			318,836		311,556	
Federal Pell Grant Program	N/A	84.063	83,749		83,749	
Goals 2000 - State and Local Education Systemic Improvement Program	G2-S2 1999	84.276	86,731		87,285	
Innovative Education Program Strategies	C2-S1 1999C C2-S1 2000	84.298	515 3,093		515 3,093	
Total Innovative Education Program			3,608		3,608	
Comprehensive School Reform Grant	RF-S1 2000	84.332	62,500		66,141	
Total U. S. Department of Education			644,632		706,452	
<b>Totals</b>			<b>\$728,280</b>	<b>\$5,580</b>	<b>\$793,310</b>	<b>\$5,877</b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**Columbiana County Career Center  
Columbiana County**

**Notes to the Schedule of Federal Awards  
Expenditures For The Year Ended June 30, 2000**

**A. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**B. NUTRITION CLUSTER**

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



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## 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 44432-9585

To the Board of Education:

We have audited the general purpose financial statements of the Columbiana County Career Center, Columbiana County, Ohio, as of and for the year ended June 30, 2000, and have issued our report thereon dated December 29, 2000. 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 Columbiana County Career Center's general purpose 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 that we have reported to management of the Columbiana County Career Center in a separate letter dated December 29, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Columbiana County Career Center'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 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 financial reporting and its operation that we consider to be material weaknesses.

Columbiana County Career Center  
Columbiana County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the audit committee, management, Board of Education, 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 Petro**  
Auditor of State

December 29, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS 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 44432-9585

To the Board of Education:

**Compliance**

We have audited the compliance of the Columbiana County Career Center with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. Columbiana County Career Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Columbiana County Career Center's management. Our responsibility is to express an opinion on Columbiana County Career Center'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 Columbiana County Career Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Columbiana County Career Center'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 its major federal program for the year ended June 30, 2000.

### **Internal Control Over Compliance**

The management of Columbiana County Career Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbiana County Career Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the audit committee, management, Board of Education, 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 Petro**  
Auditor of State

December 29, 2000

**COLUMBIANA COUNTY CAREER CENTER  
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2000**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

NONE

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 22, 2001**