

**Columbiana County Career and
Technical Center**
Audited Financial Statements

June 30, 2010



Dave Yost • Auditor of State

Board of Education
Columbiana County Career and Technical Center
9364 State Route 45
Lisbon, Ohio 44432

We have reviewed the *Independent Auditor's Report* of the Columbiana County Career and Technical Center, Columbiana County, prepared by Rea & Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 24, 2011

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
COLUMBIANA COUNTY**

JUNE 30, 2010

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**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
COLUMBIANA COUNTY**

JUNE 30, 2010

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December 8, 2010

To the Board of Education
Columbiana County Career and Technical Center
Lisbon, OH 44432

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana County Career and Technical Center (the "Center"), as of and for the year ended June 30, 2010, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Adult Education Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2010 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Columbiana County Career and Technical Center
Independent Auditor's Report
December 8, 2010

The Management's Discussion and Analysis on pages 3 through 12 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Hea & Associates, Inc.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The management's discussion and analysis of the Columbiana County Career and Technical Center's (the "Center") financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

- In total, net assets of governmental activities increased \$1,305,056 which represents an 11.21% increase from 2009.
- General revenues accounted for \$5,861,852 in revenue or 73.54% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,108,580 or 26.46% of total revenues of \$7,970,432.
- The Center had \$6,665,376 in expenses related to governmental activities; \$2,108,580 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$5,861,852 were adequate to provide for these programs.
- The Center's major governmental funds are the general fund, adult education fund and permanent improvement fund. The general fund had \$6,269,680 in revenues and \$5,865,602 in expenditures and other financing uses. During fiscal year 2010, the general fund's fund balance increased \$404,078 from \$2,639,190 to \$3,043,268.
- The adult education fund had \$1,046,271 in revenues and \$798,233 in expenditures. During fiscal year 2010, the adult education fund's fund balance increased \$248,038 from \$418 to \$248,456.
- The permanent improvement fund had \$551,815 in revenues and other financing sources and \$221,369 in expenditures. During fiscal year 2010, the permanent improvement fund's fund balance increased \$330,446 from \$1,703,475 to \$2,033,921.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net assets* and *statement of activities* provide information about the activities of the whole Center, presenting both an aggregate view of the Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Center's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Center, the general fund, adult education fund and permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Reporting the Center as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2010?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the Governmental Activities include the Center's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The Center's statement of net assets and statement of activities can be found on pages 13-14 of this report.

Reporting the Center's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the Center's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-20 of this report.

Proprietary Funds

The Center maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Center's various functions. The Center's internal service fund accounts for medical/surgical and dental self-insurance benefits. The basic proprietary fund financial statements can be found on pages 21-23 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Reporting the Center's Fiduciary Responsibilities

The Center acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the Center's fiduciary activities are reported in a separate statement of fiduciary net assets on page 24. These activities are excluded from the Center's other financial statements because the assets cannot be utilized by the Center to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-50 of this report.

The Center as a Whole

Recall that the statement of net assets provides the perspective of the Center as a whole.

The table below provides a summary of the Center's net assets at June 30, 2010 and June 30, 2009.

	Net Assets	
	Governmental Activities <u>June 30, 2010</u>	Governmental Activities <u>June 30, 2009</u>
<u>Assets</u>		
Current and other assets	\$ 8,368,647	\$ 7,434,146
Capital assets, net	<u>7,114,089</u>	<u>7,077,157</u>
Total assets	<u>15,482,736</u>	<u>14,511,303</u>
<u>Liabilities</u>		
Current liabilities	2,239,103	2,511,390
Long-term liabilities	<u>295,606</u>	<u>356,942</u>
Total liabilities	<u>2,534,709</u>	<u>2,868,332</u>
<u>Net Assets</u>		
Invested in capital assets	7,114,089	7,077,157
Restricted	2,293,372	1,768,046
Unrestricted	<u>3,540,566</u>	<u>2,797,768</u>
Total net assets	<u>\$ 12,948,027</u>	<u>\$ 11,642,971</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the Center's assets exceeded liabilities by \$12,948,027. Of this total, \$3,540,566 is unrestricted in use.

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

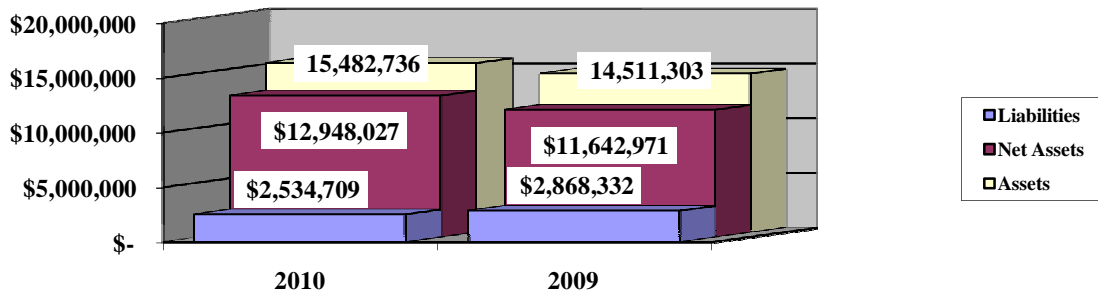
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

At year-end, capital assets represented 45.95% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The Center had \$7,114,089 invested in capital assets at June 30, 2010. These capital assets are used to provide services to the students and are not available for future spending.

A portion of the Center's net assets, \$2,293,372, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$3,540,566 may be used to meet the Center's ongoing obligations to the students and creditors.

The graph below illustrates the governmental activities assets, liabilities and net assets at June 30, 2010 and June 30, 2009:

Governmental Activities



The table below shows the change in net assets for fiscal years 2010 and 2009.

Change in Net Assets

	Governmental Activities 2010	Governmental Activities 2009
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,102,300	\$ 988,380
Operating grants and contributions	1,006,280	852,005
General revenues:		
Property taxes	2,033,130	1,800,576
Grants and entitlements	3,745,962	3,490,200
Investment earnings	60,752	87,086
Other	<u>22,008</u>	<u>9,320</u>
 Total revenues	 <u>\$ 7,970,432</u>	 <u>\$ 7,227,567</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Change in Net Assets

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 519,031	\$ 485,430
Special	176,022	181,372
Vocational	2,515,916	2,819,095
Adult/continuing	108,726	116,622
Support services:		
Pupil	321,066	347,834
Instructional staff	446,575	548,623
Board of education	23,106	22,162
Administration	961,569	867,327
Fiscal	306,741	314,184
Operations and maintenance	851,042	732,872
Central	192,502	69,540
Operations of non-instructional services:		
Other non-instructional services	218	175
Food service operations	214,894	200,896
Extracurricular activities	<u>27,968</u>	<u>17,131</u>
Total expenses	<u>6,665,376</u>	<u>6,723,263</u>
Change in net assets	1,305,056	504,304
Net assets at beginning of year	<u>11,642,971</u>	<u>11,138,667</u>
Net assets at end of year	<u>\$ 12,948,027</u>	<u>\$ 11,642,971</u>

Governmental Activities

Net assets of the Center's governmental activities increased \$1,305,056. Total governmental expenses of \$6,665,376, were offset by program revenues of \$2,108,580 and general revenues of \$5,861,852. Program revenues supported 31.63% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 72.51% of total governmental revenue.

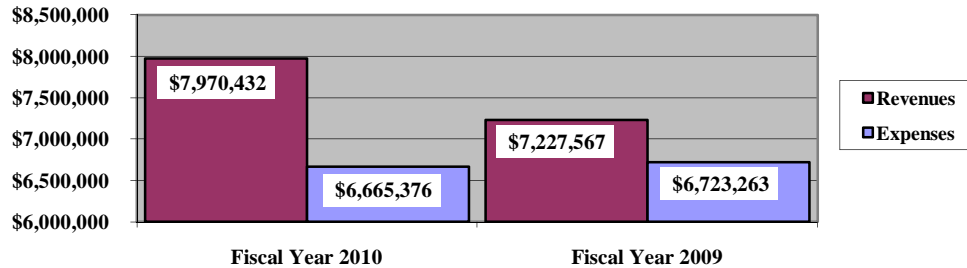
The largest expense of the Center is for instructional programs. Instruction expenses totaled \$3,319,695 or 49.81% of total governmental expenses for fiscal year 2010.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The graph below presents the Center's governmental activities revenue and expenses for fiscal years 2010 and 2009.

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
Program expenses				
Instruction:				
Regular	\$ 519,031	\$ 473,025	\$ 485,430	\$ 485,430
Special	176,022	2,204	181,372	7,554
Vocational	2,515,916	1,454,244	2,819,095	1,963,789
Other	108,726	1,686	116,622	(5,121)
Support services:				
Pupil	321,066	173,265	347,834	110,139
Instructional staff	446,575	318,713	548,623	437,385
Board of education	23,106	23,106	22,162	22,162
Administration	961,569	745,699	867,327	732,135
Fiscal	306,741	250,368	314,184	278,779
Operations and maintenance	851,042	844,298	732,872	725,584
Central	192,502	185,216	69,540	54,750
Operations of non-instructional services:				
Other non-instructional services	218	218	175	175
Food service operations	214,894	58,584	200,896	55,378
Extracurricular activities	<u>27,968</u>	<u>26,170</u>	<u>17,131</u>	<u>14,739</u>
Total expenses	<u>\$ 6,665,376</u>	<u>\$ 4,556,796</u>	<u>\$ 6,723,263</u>	<u>\$ 4,882,878</u>

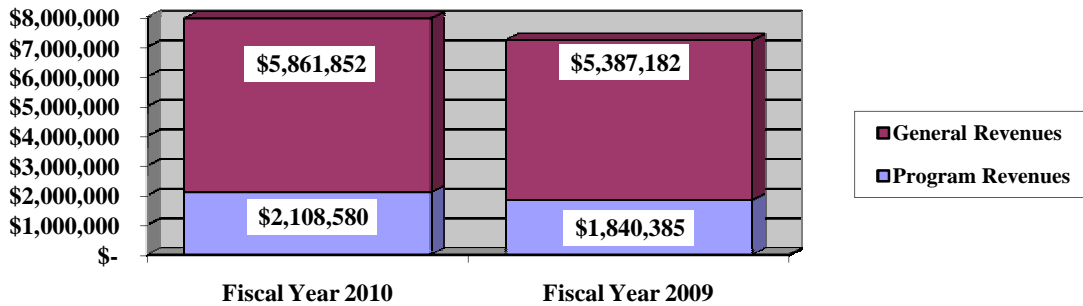
The dependence upon tax and other general revenues for governmental activities is apparent; 58.17% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 68.37%. The Center's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for the Career Center's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The graph below presents the Center's governmental activities revenue for fiscal years 2010 and 2009.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Center's governmental funds reported a combined fund balance of \$5,377,756, which is greater than last year's total of \$4,406,465. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and June 30, 2009.

	<u>Fund Balance June 30, 2010</u>	<u>Fund Balance June 30, 2009</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
General	\$ 3,043,268	\$ 2,639,190	\$ 404,078	15.31 %
Adult Education	248,456	418	248,038	59,339.23 %
Permanent Improvement	2,033,921	1,703,475	330,446	19.40 %
Other Governmental	52,111	63,382	(11,271)	(17.78) %
Total	<u>\$ 5,377,756</u>	<u>\$ 4,406,465</u>	<u>\$ 971,291</u>	22.04 %

General Fund

The Center's general fund balance increased \$404,078.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 2,005,811	\$ 1,878,149	\$ 127,662	6.80 %
Tuition	212,715	195,010	17,705	9.08 %
Intergovernmental	3,919,780	3,664,018	255,762	6.98 %
Classroom materials and fees	45,534	34,065	11,469	33.67 %
Other revenues	<u>85,840</u>	<u>38,740</u>	<u>47,100</u>	121.58 %
 Total	 <u>\$ 6,269,680</u>	 <u>\$ 5,809,982</u>	 <u>\$ 459,698</u>	 7.91 %
<u>Expenditures</u>				
Instruction	\$ 2,628,303	\$ 2,874,954	\$ (246,651)	(8.58) %
Support services	2,665,310	2,319,187	346,123	14.92 %
Non-instructional services	190	175	15	8.57 %
Extracurricular activities	26,099	14,817	11,282	76.14 %
Facilities acquisition and construction	<u>-</u>	<u>32,948</u>	<u>(32,948)</u>	(100.00) %
 Total	 <u>\$ 5,319,902</u>	 <u>\$ 5,242,081</u>	 <u>\$ 77,821</u>	 1.48 %

Overall revenues of the general fund increased \$459,698 or 7.91%. The most significant increases were in the areas of intergovernmental and taxes. Intergovernmental revenue increased \$255,762 or 6.98%. This increase is primarily attributable to an increase in fiscal year 2010 school foundation payments made to the Center. Tax revenue increased \$127,662 or 6.80%. This increase is primarily attributable to an increase in the amount of taxes available for advance at June 30, 2010.

During fiscal year 2010, the Center attempted to remain fiscally responsible by closely monitoring cash outflows. Therefore, expenditures for fiscal year 2010 remained comparable to fiscal year 2009.

Adult Education Fund

The adult education fund had \$1,046,271 in revenues and \$798,233 in expenditures. During fiscal year 2010, the adult education fund's fund balance increased \$248,038 from \$418 to \$248,456.

Permanent Improvement Fund

The permanent improvement fund had \$551,815 in revenues and other financing sources and \$221,369 in expenditures. During fiscal year 2010, the permanent improvement fund's fund balance increased \$330,446 from \$1,703,475 to \$2,033,921.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

General Fund Budgeting Highlights

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

During the course of fiscal year 2010, the Center amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$6,103,515 and final budgeted revenues and other financing sources were \$6,253,320. Actual revenues and other financing sources for fiscal year 2010 were \$6,253,231. This represents an \$89 decrease from final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures including other financing uses) of \$6,381,256 were decreased to \$6,060,278 in the final appropriated budget. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$6,028,585, which was \$31,693 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the Center had \$7,114,089 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2010 balances compared to June 30, 2009:

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

	Governmental Activities	
	2010	2009
Land	\$ 152,290	\$ 152,290
Land improvements	36,318	39,250
Building and improvements	5,951,799	6,157,079
Furniture and equipment	966,059	719,742
Vehicles	7,623	8,796
 Total	 \$ 7,114,089	 \$ 7,077,157

The overall increase in capital assets of \$36,932 is due to capital outlays of \$432,854 exceeding depreciation expense of \$395,922 in fiscal year 2010.

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

Debt Administration

At June 30, 2010, the Center had no debt outstanding.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Current Financial Related Activities

The Center's financial affairs are carefully managed to provide the best possible educational services with the financial resources available. As the financial statements report, the Center relies heavily upon grants, entitlements, and local property taxes. These financial resources are used to provide an education commensurate with State requirements and always striving to go beyond the minimum standards.

The uncertain future of growth in State funding presents an ongoing challenge for long-range financial planning. The Center has been on the guarantee since 2000 and received no increase in State aid for nine years. The 2000 guarantee was replaced with transitional aid in fiscal year 2006. During fiscal year 2010, the Center received approximately \$1,368,945 in transitional aid and a small inflationary increase of 0.75%. It is uncertain how this transitional aid will be phased out and to what extent the Center will be affected by its elimination.

These financial statements represent the continued effort to keep our residents informed of the prudent use of their tax dollars. The Center will continue to meet the financial challenges of providing a sound vocational program in an ever-changing economic environment while maintaining financial integrity.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Katherine Bosco, Treasurer, Columbiana County Career and Technical Center, 9364 State Route 45, Lisbon, Ohio 44432.

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

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 5,671,365
Cash with fiscal agent	638,572
Receivables:	
Taxes	2,054,175
Accounts	88
Accrued interest	1,297
Materials and supplies inventory	3,150
Capital assets:	
Land	152,290
Depreciable capital assets, net	6,961,799
Capital assets, net	7,114,089
 Total assets	 15,482,736
 Liabilities:	
Accounts payable	4,063
Accrued wages and benefits	378,732
Pension obligation payable	60,550
Intergovernmental payable	23,782
Unearned revenue	1,698,251
Claims payable	73,725
Long-term liabilities:	
Due within one year	78,054
Due within more than one year	217,552
 Total liabilities	 2,534,709
 Net Assets:	
Invested in capital assets	7,114,089
Restricted for:	
Capital projects	2,033,921
State funded projects	6,966
Public school support	434
Other purposes	252,051
Unrestricted	3,540,566
 Total net assets	 \$ 12,948,027

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 519,031	\$ 46,006	\$ -	\$ (473,025)
Special	176,022	-	173,818	(2,204)
Vocational	2,515,916	691,602	370,070	(1,454,244)
Adult/Continuing	108,726	2,166	104,874	(1,686)
Support services:				
Pupil.	321,066	33,839	113,962	(173,265)
Instructional staff	446,575	27,792	100,070	(318,713)
Board of education	23,106	-	-	(23,106)
Administration.	961,569	178,833	37,037	(745,699)
Fiscal.	306,741	46,701	9,672	(250,368)
Operations and maintenance	851,042	860	5,884	(844,298)
Central	192,502	-	7,286	(185,216)
Operation of non-instructional services:				
Other non-instructional services	218	-	-	(218)
Food service operations	214,894	72,703	83,607	(58,584)
Extracurricular activities.	27,968	1,798	-	(26,170)
Totals governmental activities	<u>\$ 6,665,376</u>	<u>\$ 1,102,300</u>	<u>\$ 1,006,280</u>	<u>(4,556,796)</u>
General Revenues:				
Property taxes levied for:				
General purposes				2,033,130
Grants and entitlements not restricted to specific programs				3,745,962
Investment earnings				60,752
Miscellaneous				22,008
Total general revenues				<u>5,861,852</u>
Change in net assets				1,305,056
Net assets at beginning of year.				<u>11,642,971</u>
Net assets at end of year				<u>\$ 12,948,027</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 3,298,871	\$ 284,289	\$ 2,032,624	\$ 55,581	\$ 5,671,365
Receivables:					
Taxes	2,054,175	-	-	-	2,054,175
Accounts	88	-	-	-	88
Accrued interest	-	-	1,297	-	1,297
Materials and supplies inventory	-	-	-	3,150	3,150
Total assets	<u>\$ 5,353,134</u>	<u>\$ 284,289</u>	<u>\$ 2,033,921</u>	<u>\$ 58,731</u>	<u>\$ 7,730,075</u>
Liabilities:					
Accounts payable	\$ 4,063	\$ -	\$ -	\$ -	\$ 4,063
Accrued wages and benefits	345,659	31,079	-	1,994	378,732
Intergovernmental payable	19,276	3,272	-	1,234	23,782
Deferred revenue	186,941	-	-	-	186,941
Unearned revenue	1,698,251	-	-	-	1,698,251
Pension obligation payable	55,676	1,482	-	3,392	60,550
Total liabilities	<u>2,309,866</u>	<u>35,833</u>	<u>-</u>	<u>6,620</u>	<u>2,352,319</u>
Fund Balances:					
Reserved for encumbrances	5,501	1,537	-	3,545	10,583
Reserved for materials and supplies inventory	-	-	-	3,150	3,150
Reserved for property tax unavailable for appropriation	168,983	-	-	-	168,983
Unreserved, undesignated reported in:					
General fund	2,868,784	-	-	-	2,868,784
Special revenue funds	-	246,919	-	45,416	292,335
Capital projects funds	-	-	2,033,921	-	2,033,921
Total fund balances	<u>3,043,268</u>	<u>248,456</u>	<u>2,033,921</u>	<u>52,111</u>	<u>5,377,756</u>
Total liabilities and fund balances	<u>\$ 5,353,134</u>	<u>\$ 284,289</u>	<u>\$ 2,033,921</u>	<u>\$ 58,731</u>	<u>\$ 7,730,075</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total governmental fund balances	\$ 5,377,756
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,114,089
Other long-term assets, such as taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.	186,941
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.	564,847
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(295,606)</u>
Net assets of governmental activities	<u>\$ 12,948,027</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General</u>	<u>Adult Education</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Taxes	\$ 2,005,811	\$ -	\$ -	\$ -	\$ 2,005,811
Tuition	212,715	866,762	-	-	1,079,477
Charges for services	-	-	-	72,703	72,703
Earnings on investments	-	-	51,815	-	51,815
Extracurricular	472	-	-	1,798	2,270
Classroom materials and fees	45,534	-	-	10,608	56,142
Rentals	860	-	-	-	860
Contract services	62,500	-	-	-	62,500
Other local revenues	22,008	2,016	-	2,166	26,190
Intergovernmental - state	3,879,084	177,493	-	37,996	4,094,573
Intergovernmental - federal	40,696	-	-	441,139	481,835
Total revenues	<u>6,269,680</u>	<u>1,046,271</u>	<u>51,815</u>	<u>566,410</u>	<u>7,934,176</u>
Expenditures:					
Current:					
Instruction:					
Regular	545,186	-	-	-	545,186
Special	194,907	-	-	-	194,907
Vocational	1,888,210	534,738	221,369	92,375	2,736,692
Adult/Continuing	-	-	-	108,726	108,726
Support services:					
Pupil	201,925	30,671	-	109,431	342,027
Instructional staff	381,230	26,327	-	92,761	500,318
Board of education	23,106	-	-	-	23,106
Administration	797,886	163,515	-	-	961,401
Fiscal	262,518	42,982	-	-	305,500
Operations and maintenance	858,413	-	-	6,100	864,513
Central	140,232	-	-	51,214	191,446
Operation of non-instructional services:					
Other non-instructional services	190	-	-	41	231
Food service operations	-	-	-	160,864	160,864
Extracurricular activities	26,099	-	-	1,869	27,968
Total expenditures	<u>5,319,902</u>	<u>798,233</u>	<u>221,369</u>	<u>623,381</u>	<u>6,962,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>949,778</u>	<u>248,038</u>	<u>(169,554)</u>	<u>(56,971)</u>	<u>971,291</u>
Other financing sources (uses):					
Transfers in	-	-	500,000	45,700	545,700
Transfers (out)	<u>(545,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(545,700)</u>
Total other financing sources (uses)	<u>(545,700)</u>	<u>-</u>	<u>500,000</u>	<u>45,700</u>	<u>-</u>
Net change in fund balances	404,078	248,038	330,446	(11,271)	971,291
Fund balances at beginning of year	<u>2,639,190</u>	<u>418</u>	<u>1,703,475</u>	<u>63,382</u>	<u>4,406,465</u>
Fund balances at end of year	<u>\$ 3,043,268</u>	<u>\$ 248,456</u>	<u>\$ 2,033,921</u>	<u>\$ 52,111</u>	<u>\$ 5,377,756</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds	\$	971,291
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.</p>		
Capital asset additions	\$ 432,854	
Current year depreciation	<u>(395,922)</u>	
Total		36,932
Revenues in the statement of activities, such as delinquent taxes that do not provide current financial resources are not reported as revenues in the funds.		27,319
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		29,852
Internal service fund for self-insurance is not reported in the expenditures and related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities.		<u>239,662</u>
Change in net assets of governmental activities	\$	<u>1,305,056</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 1,838,196	\$ 1,883,313	\$ 1,883,313	\$ -
Tuition.	207,619	212,715	212,715	-
Classroom materials and fees	45,153	46,261	46,172	(89)
Rentals	839	860	860	-
Contract services.	61,003	62,500	62,500	-
Other local revenues	136	138	138	-
Intergovernmental - state	3,786,156	3,879,084	3,879,084	-
Intergovernmental - federal	39,721	40,696	40,696	-
Total revenue	<u>5,978,823</u>	<u>6,125,567</u>	<u>6,125,478</u>	<u>(89)</u>
Expenditures:				
Current:				
Instruction:				
Regular	525,361	498,935	499,028	(93)
Special.	203,302	193,076	192,926	150
Vocational.	2,074,175	1,969,844	1,958,902	10,942
Support Services:				
Pupil.	204,200	193,929	193,961	(32)
Instructional staff	399,959	379,841	376,109	3,732
Board of education	26,360	25,034	23,229	1,805
Administration.	869,432	825,699	824,737	962
Fiscal	276,402	262,499	262,455	44
Operations and maintenance.	907,993	862,321	848,115	14,206
Central.	147,659	140,232	140,232	-
Operation of non-instructional services:				
Other non-instructional services	200	190	190	-
Extracurricular activities.	27,359	25,983	26,006	(23)
Total expenditures	<u>5,662,402</u>	<u>5,377,583</u>	<u>5,345,890</u>	<u>31,693</u>
Excess of revenues over expenditures.	<u>316,421</u>	<u>747,984</u>	<u>779,588</u>	<u>31,604</u>
Other financing sources (uses):				
Refund of prior year's expenditures	7,428	7,610	7,610	-
Refund of prior year's receipts.	(38,384)	(36,453)	(36,453)	-
Transfers (out).	(574,603)	(545,700)	(545,700)	-
Advances in.	103,346	105,883	105,883	-
Advances (out)	(105,867)	(100,542)	(100,542)	-
Sale of capital assets	13,918	14,260	14,260	-
Total other financing sources (uses)	<u>(594,162)</u>	<u>(554,942)</u>	<u>(554,942)</u>	<u>-</u>
Net change in fund balance	(277,741)	193,042	224,646	31,604
Fund balance at beginning of year	2,962,989	2,962,989	2,962,989	-
Prior year encumbrances appropriated	101,101	101,101	101,101	-
Fund balance at end of year	<u>\$ 2,786,349</u>	<u>\$ 3,257,132</u>	<u>\$ 3,288,736</u>	<u>\$ 31,604</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Tuition	\$ 639,272	\$ 866,217	\$ 866,762	\$ 545
Other local revenues	1,487	2,016	2,016	-
Intergovernmental - state	130,991	177,493	177,493	-
Total revenue	<u>771,750</u>	<u>1,045,726</u>	<u>1,046,271</u>	<u>545</u>
Expenditures:				
Current:				
Instruction:				
Vocational	340,800	536,726	530,670	6,056
Support Services:				
Pupil	16,864	26,559	26,503	56
Instructional staff	16,045	25,270	25,532	(262)
Administration	95,909	151,048	150,952	96
Fiscal	26,749	42,127	42,223	(96)
Total expenditures	<u>496,367</u>	<u>781,730</u>	<u>775,880</u>	<u>5,850</u>
Excess of revenues over expenditures	<u>275,383</u>	<u>263,996</u>	<u>270,391</u>	<u>6,395</u>
Other financing sources (uses):				
Advances in	18,450	25,000	25,000	-
Advances (out)	(15,874)	(25,000)	(25,000)	-
Total other financing sources (uses)	<u>2,576</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	277,959	263,996	270,391	6,395
Fund balance at beginning of year	6,803	6,803	6,803	-
Prior year encumbrances appropriated	4,830	4,830	4,830	-
Fund balance at end of year	<u>\$ 289,592</u>	<u>\$ 275,629</u>	<u>\$ 282,024</u>	<u>\$ 6,395</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	<u>Governmental Activities - Internal Service Funds</u>
Assets:	
Current assets:	
Cash with fiscal agent	\$ 638,572
Total assets.	<u>638,572</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>73,725</u>
Total liabilities	<u>73,725</u>
Net assets:	
Unrestricted.	<u>564,847</u>
Total net assets	<u>\$ 564,847</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities - Internal Service Funds
Operating revenues:	
Sales/charges for services.	\$ 938,346
Total operating revenues	<u>938,346</u>
Operating expenses:	
Purchased services.	166,887
Claims	<u>540,734</u>
Total operating expenses.	<u>707,621</u>
Operating income	230,725
Nonoperating revenues:	
Interest revenue	<u>8,937</u>
Total nonoperating revenues.	<u>8,937</u>
Change in net assets.	239,662
Net assets at beginning of year	<u>325,185</u>
Net assets at end of year.	<u>\$ 564,847</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received from sales/charges for services.	\$ 938,346
Cash payments for purchased services.	(166,887)
Cash payments for claims	(531,549)
	239,910
Net cash provided by operating activities	239,910
Cash flows from investing activities:	
Interest received	8,937
	8,937
Net cash provided by investing activities	8,937
Net increase in cash and investments	248,847
Cash and cash equivalents at beginning of year . . .	389,725
Cash and cash equivalents at end of year	\$ 638,572
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 230,725
Changes in assets and liabilities:	
Increase in claims payable	9,185
	9,185
Net cash provided by operating activities	\$ 239,910

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2010

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments.	\$ 21,459
Total assets.	<u>\$ 21,459</u>
Liabilities:	
Due to students.	\$ 21,459
Total liabilities	<u>\$ 21,459</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 - DESCRIPTION OF THE CENTER

The Columbiana County Career and Technical Center (the "Center") is organized under section 3311.88 of the Ohio Revised Code. The Center 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 Center fosters cooperative relationships with business and industry, professional organizations, participating school districts and other interested, concerned groups and organizations to consider, plan, and implement educational programs designed to meet the common needs and interests of students. The Center is staffed by 60 certified employees and 26 non-certified employees to provide service to approximately 568 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

JOINTLY GOVERNED ORGANIZATIONS

Area Cooperative Computerized Educational Service System (ACCESS)

ACCESS is a jointly governed organization among 23 school districts, 2 career and technical centers, 1 community school and 2 educational service centers. ACCESS was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge dependent upon the software package utilized. ACCESS is governed by a Board of Directors consisting of superintendents of the members school districts. The degree of control exercised by any school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the Center does not have any equity interest in ACCESS. Financial information can be obtained from the treasurer for the Mahoning County Educational Service Center, who serves as fiscal agent, at 100 DeBartolo Place, Suite 104, Youngstown, Ohio 44512-7019.

INSURANCE PURCHASING POOLS

Ohio Mid-Eastern Regional Educational Services Agency

The District is a participant with several other school districts in an insurance purchasing pool to operate the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA). OME-RESA was formed for the purpose of providing insurance. OME-RESA is governed by a Board of Directors 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 Board.

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

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

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

B. Fund Accounting

The Center uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

The following are the Center's major governmental funds:

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

Adult education fund - The adult education fund is used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and reimbursement from the State Department of Education. Expenditures include supplies, salaries and textbooks.

Permanent improvement fund - The permanent improvement fund is used to account for all transactions related to acquiring, construction or improving projects that are approved by Section 5705, Ohio Revised Code.

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

PROPRIETARY FUND

Proprietary funds are used to account for the Center's ongoing activities which are similar to those often found in the private sector. The Center has no enterprise funds. The following is a description of the Center's internal service fund:

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. The Center has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center's agency fund accounts for student activities and Center agency services.

C. Basis of Presentation and Measurement Focus

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Center are included on the statement of net assets.

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Center finances and meets the cash flow needs of its proprietary activity.

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

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2010 are recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the financial statements as an expenditure with a like amount reported as intergovernmental 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 governmental funds.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

E. Budgets

The Center is required by State statute to adopt an annual appropriated cash basis budget for all funds (except agency funds). The specific timetable for fiscal year 2010 is as follows:

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

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COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2010. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

Although the legal level of budgetary control was established at the fund level of expenditures, the budgetary statements present comparisons at the fund and function level of expenditures as elected by the Center Treasurer.

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

F. Cash and Investments

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

During fiscal year 2010, investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable certificates of deposit and a repurchase agreement. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and non negotiable certificates of deposit are reported at cost.

The Center has invested funds in STAR Ohio during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2010.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the permanent improvement capital projects fund. Interest revenue credited to the permanent improvement fund during fiscal year 2010 amounted to \$51,815, which includes \$33,345 assigned from other Center funds.

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

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

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COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

G. Inventory

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

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

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

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of \$2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Center does not possess infrastructure.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the statement of net assets.

J. Compensated Absences

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

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COLUMBIANA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2010, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The Center records a liability for accumulated unused sick leave for employees after 20 years of current service with the Center, 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 total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2010 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance Reserves

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

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Center, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund, including claims and administrative expenses.

O. Estimates

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

P. Interfund Activity

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the Center has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the Center.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the Center.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the Center.

B. Deficit Fund Balance

Fund balances at June 30, 2010 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
Vocational education	\$ 1,469

The general fund is liable for the deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Center, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the Center had \$900 in undeposited cash on hand which is included on the financial statements of the Center as part of "equity in pooled cash and investments".

B. Cash with Fiscal Agent

The Center is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2010 was \$638,572. This amount is not included in the "deposits" or "investments" reported below.

C. Deposits with Financial Institutions

At June 30, 2010, the carrying amount of all Center deposits was \$2,708,427, exclusive of the \$2,867,458 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$2,100,000 of the Center's bank balance of \$2,747,000 was exposed to custodial risk as discussed below, while \$647,000 was covered by the FDIC.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of June 30, 2010, the Center had the following investments and maturities:

<u>Investment Type:</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
Repurchase agreement	\$ 2,867,458	\$ 2,867,458
STAR Ohio	<u>116,039</u>	<u>116,039</u>
Total	<u>\$ 2,983,497</u>	<u>\$ 2,983,497</u>

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Center's \$2,867,458 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the Center. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating.

Concentration of Credit Risk: The Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Center at June 30, 2010:

<u>Investment Type:</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreement	\$ 2,867,458	96.11
STAR Ohio	<u>116,039</u>	<u>3.89</u>
Total	<u>\$ 2,983,497</u>	<u>100.00</u>

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,708,427
Investments	2,983,497
Cash with fiscal agent	638,572
Cash on hand	<u>900</u>
Total	<u>\$ 6,331,396</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 6,309,937
Agency funds	<u>21,459</u>
Total	<u>\$ 6,331,396</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2010, consisted of the following, as reported on the fund financial statements:

	<u>Amount</u>
Transfers from the general fund to:	
Permanent Improvement	\$ 500,000
Nonmajor governmental funds	<u>45,700</u>
Total	<u>\$ 545,700</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the Center. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Center prior to June 30.

The Center receives property taxes from Columbiana County. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$168,983 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2009 was \$46,484 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 977,436,650	94.73	\$ 943,088,030	94.53
Public utility personal	<u>54,398,547</u>	<u>5.27</u>	<u>54,524,734</u>	<u>5.47</u>
Total	<u>\$ 1,031,835,197</u>	<u>100.00</u>	<u>\$ 997,612,764</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$2.80		\$2.80	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2010 consisted of taxes, accounts (billings for user charged services and student fees), and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 2,054,175
Accounts	88
Accrued Interest	<u>1,297</u>
Total	<u>\$ 2,055,560</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance			Balance
	<u>06/30/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/10</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 152,290	\$ -	\$ -	\$ 152,290
Total capital assets, not being depreciated	<u>152,290</u>	<u>-</u>	<u>-</u>	<u>152,290</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	283,592	-	-	283,592
Buildings and improvements	8,031,653	52,505	-	8,084,158
Furniture and equipment	1,869,442	380,349	-	2,249,791
Vehicles	118,742	-	-	118,742
Total capital assets, being depreciated	<u>10,303,429</u>	<u>432,854</u>	<u>-</u>	<u>10,736,283</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(244,342)	(2,932)	-	(247,274)
Buildings and improvements	(1,874,574)	(257,785)	-	(2,132,359)
Furniture and equipment	(1,149,700)	(134,032)	-	(1,283,732)
Vehicles	(109,946)	(1,173)	-	(111,119)
Total accumulated depreciation	<u>(3,378,562)</u>	<u>(395,922)</u>	<u>-</u>	<u>(3,774,484)</u>
Governmental activities capital assets, net	<u>\$ 7,077,157</u>	<u>\$ 36,932</u>	<u>\$ -</u>	<u>\$ 7,114,089</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 26,186
Vocational	260,684
<u>Support services:</u>	
Pupil	4,692
Instructional staff	18,042
Administration	14,282
Fiscal	3,818
Operations and maintenance	11,926
Central	2,103
Food service operations	<u>54,189</u>
Total depreciation expense	<u>\$ 395,922</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2010, the following activity occurred in governmental activities long-term obligations:

	Balance Outstanding			Balance Outstanding	Amounts Due in
	<u>06/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/10</u>	<u>One Year</u>
Governmental activities:					
Compensated absences	\$ 356,942	\$ 78,054	\$ (139,390)	\$ 295,606	\$ 78,054
Total long-term obligations, governmental activities	<u>\$ 356,942</u>	<u>\$ 78,054</u>	<u>\$ (139,390)</u>	<u>\$ 295,606</u>	<u>\$ 78,054</u>

Compensated absences will be paid from the fund which the employee is paid, which for the Center are primarily the general fund, adult education fund and the food service fund (a nonmajor governmental fund).

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the Center shall never exceed 9% of the total assessed valuation of the Center. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Center. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the Center. The assessed valuation used in determining the Center's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the Center's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$89,669,222 and an unvoted debt margin of \$996,325.

NOTE 10 - 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 10 to 20 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, 188 days for classified and 274 for certified personnel. Upon retirement, payment is made for one-fourth of accrued but unused sick leave to a maximum of 78 days for administrators, 47 days for classified employees and 68 days for certified employees.

B. Life Insurance

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The Center 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 2010, the Center's insurance coverage was as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Liability Limit</u>
Building and Contents - replacement cost	\$ 1,000	\$21,090,002
Boiler	1,000	21,090,002
EDP Coverage	500	394,200
Garagekeepers	500	120,000
Automobile Liability	500	1,000,000
General Liability:		
Per occurrence	n/a	1,000,000
Aggregate	n/a	2,000,000
Umbrella Liability:		
Per occurrence	10,000	2,000,000
Aggregate	10,000	2,000,000

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

B. Health Insurance

Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The Center 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 Center's behalf. The claims liability of \$73,725 reported in the internal service fund at June 30, 2010, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be reported. Changes in claims activity for the current and previous fiscal year is as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2010	\$ 64,540	\$ 540,734	\$ (531,549)	\$ 73,725
2009	55,690	854,204	(845,354)	64,540

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 11 - RISK MANAGEMENT - (Continued)

C. Workers' Compensation

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

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute at an actuarially determined rate. The current Center rate is 14 percent of annual covered payroll. A portion of the Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$90,362, \$67,534 and \$69,636, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

B. State Teachers Retirement System of Ohio

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 12 - PENSION PLANS - (Continued)

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

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

Funding Policy - For fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Center's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$322,554, \$333,639 and \$353,146, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$7,313 made by the Center and \$5,224 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The Center's liability is 6.2 percent of wages paid.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The Center participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401(h). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The Center's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$29,145, \$42,286 and \$47,036, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The Center's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$5,374, \$5,572 and \$5,017, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 - POSTEMPLOYMENT BENEFITS – (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Center's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$24,812, \$25,665 and \$27,165, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

Net Change in Fund Balance

	<u>General fund</u>	<u>Adult education</u>
Budget basis	\$ 224,646	\$ 270,391
Net adjustment for revenue accruals	144,202	-
Net adjustment for expenditure accruals	15,853	(24,618)
Net adjustment for other sources/uses	9,242	-
Adjustment for encumbrances	<u>10,135</u>	<u>2,265</u>
GAAP basis	<u>\$ 404,078</u>	<u>\$ 248,038</u>

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

The Center is involved in no material litigation as either plaintiff or defendant.

NOTE 16 - STATUTORY RESERVES

The Center is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2009	\$ (1,333,812)	\$ -
Current year set-aside requirement	57,686	57,686
Current year offsets	-	(500,000)
Qualifying disbursements	<u>(281,881)</u>	<u>(375,564)</u>
Total	<u>\$ (1,558,007)</u>	<u>\$ (817,878)</u>
Balance carried forward to fiscal year 2011	<u>\$ (1,558,007)</u>	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 16 - STATUTORY RESERVES – (Continued)

Although the Center had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.



December 8, 2010

To the Board of Education
Columbiana County Career and Technical Center
Lisbon, OH 44432

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbiana County Career and Technical Center (the "Center") as of and for the year ended June 30, 2010, which collectively comprise the Center's basic financial statements and have issued our report thereon dated December 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Columbiana County Career and Technical Center
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*
December 8, 2010
Page 2

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Center in a separate letter dated December 8, 2010.

This report is intended solely for the information and use of management, the 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 those specified parties.

Hea & Associates, Inc.



December 8, 2010

To the Board of Education
Columbiana County Career and Technical Center
Lisbon, OH 44432

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the Columbiana County Career and Technical Center (the "Center") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Hea & Associates, Inc.

COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
COLUMBIANA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/ <i>Pass Through Grantor</i> Program Title	CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U. S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed through Ohio Department of Education:</i>						
<i>Nutrition Cluster:</i>						
School Breakfast Program	10.553	2010	\$ 22,466		\$ 22,466	
National School Lunch Program	10.555	2010	55,786	\$ 3,645	55,786	\$ 3,645
<i>Total Nutrition Cluster</i>			78,252	3,645	78,252	3,645
Total U.S. Department of Agriculture			78,252	3,645	78,252	3,645
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Direct Federal Programs:</i>						
Federal Pell Grant Program	84.063	N/A	406,851		406,851	
Rural Education	84.358	2010	40,696		40,696	
<i>Passed through Ohio Department of Education:</i>						
Adult Education - Basic Grants to States	84.002	2009	0		8,125	
		2010	176,271		172,726	
Total Adult Education - Basic Grants to States			176,271		180,851	
Career and Technical Education - Basic Grants to States	84.048	2009	0		2,688	
		2010	177,570		177,570	
Total Career and Technical Education - Basic Grants to States			177,570		180,258	
Safe and Drug-Free Schools and Communities	84.184	2010	1,066		1,066	
Improving Teacher Quality State Grants	84.367	2010	4,335		4,335	
Total U.S. Department of Education			806,789		814,057	
Total Federal Financial Assistance			\$ 885,041	\$ 3,645	\$ 892,309	\$ 3,645

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
COLUMBIANA COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B: NUTRITION CLUSTER

Reimbursement monies are commingled with local receipts and state grants. It is assumed federal moneys are expended first.

Food Distribution Program nonmonetary assistance is reported in the schedule of expenditures of federal awards at the entitlement value of the commodities received and disbursed. At June 30, 2010, the Center had no significant food commodities inventory.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list): Career and Technical Education – Basic Grants to States Federal Pell Grant Program	Program: CFDA #84.048 CFDA #84.063
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

December 8, 2010

To the Board of Education
Columbiana County Career and Technical Center
Lisbon, Ohio 44432

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on January 15, 2008.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that shall include the definition in division (A) of Ohio Rev. Code Section 3313.666;

- (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States.
3. We noted the policy excluded the following requirements from Ohio Rev. Code Section 3313.666(B):
- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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

Rea & Associates, Inc.

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Dave Yost • Auditor of State

COLUMBIANA COUNTY CAREER AND TECHNICAL 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 3, 2011**