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**COLUMBIANA COUNTY
CAREER AND TECHNICAL CENTER
COLUMBIANA COUNTY
Single Audit
For the Fiscal Year Ended June 30, 2014**

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

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INDEPENDENT AUDITOR'S REPORT

January 23, 2015

Columbiana County Career and Technical Center
Columbiana County
9364 State Route 45
Lisbon, OH 44432

To the Board of Education:

Report on the Financial Statements

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**, Columbiana County, Ohio (the Center), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Center's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 Columbiana County Career and Technical Center, Columbiana County, as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Adult Education Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Center's basic financial statements taken as a whole.

The Schedule of Receipts and Expenditures of Federal Awards presents additional analysis as required by the 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 financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

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, 2014. 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 2014 are as follows:

- In total, net position of governmental activities increased \$756,140 which represents a 4.57% increase from 2013.
- General revenues accounted for \$5,469,204 in revenue or 69.42% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,409,418 or 30.58% of total revenues of \$7,878,622.
- The Center had \$7,122,482 in expenses related to governmental activities; \$2,409,418 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 \$5,469,204 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 \$6,024,793 in revenues and \$6,272,185 in expenditures and other financing uses. During fiscal year 2014, the general fund's fund balance decreased \$247,392 from a balance of \$3,297,175 to \$3,049,783.
- The adult education fund had \$1,199,819 in revenues and \$1,240,409 in expenditures. During fiscal year 2014, the adult education fund's fund balance decreased \$40,590 from \$764,741 to \$724,151.
- The permanent improvement fund had \$1,242,017 in revenues and other financing sources and \$1,295,553 in expenditures. During fiscal year 2014, the permanent improvement fund's fund balance decreased \$53,536 from \$2,852,052 to \$2,798,516.

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 position* 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, 2014
(UNAUDITED)

Reporting the Center as a Whole

Statement of Net Position 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 2014?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows, liabilities, deferred inflows, 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 position* and changes in that position. This change in net position 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 position 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 position 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 position 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

Reporting the Center's Fiduciary Responsibilities

The Center is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The Center also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the Center's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 21 and 22. 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 23-47 of this report.

The Center as a Whole

The statement of net position provides the perspective of the Center as a whole. The table below provides a summary of the Center's net position at June 30, 2014 and June 30, 2013.

	Net Position	
	Governmental Activities	Governmental Activities
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<u>Assets</u>		
Current and other assets	\$ 9,079,946	\$ 9,249,755
Capital assets, net	<u>10,781,230</u>	<u>9,635,713</u>
Total assets	<u>19,861,176</u>	<u>18,885,468</u>
<u>Liabilities</u>		
Current liabilities	385,266	390,314
Long-term liabilities	<u>277,743</u>	<u>235,579</u>
Total liabilities	<u>663,009</u>	<u>625,893</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for the next fiscal year	<u>1,893,385</u>	<u>1,710,933</u>
Total deferred inflows of resources	<u>1,893,385</u>	<u>1,710,933</u>
<u>Net Position</u>		
Net investment in capital assets	10,781,230	9,635,713
Restricted	3,559,513	3,638,470
Unrestricted	<u>2,964,039</u>	<u>3,274,459</u>
Total net position	<u>\$ 17,304,782</u>	<u>\$ 16,548,642</u>

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

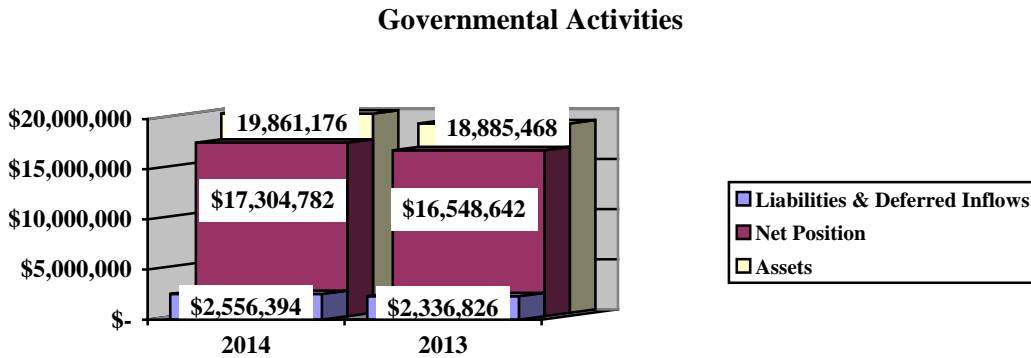
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the Center's assets exceeded liabilities and deferred inflows of resources by \$17,304,782. Of this total, \$2,964,039 is unrestricted in use.

At year-end, capital assets represented 54.28% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The Center had \$10,781,230 invested in capital assets at June 30, 2014. 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 position, \$3,559,513, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$2,964,039 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 deferred inflows and net position at June 30, 2014 and June 30, 2013:



The table below shows the change in net position for fiscal years 2014 and 2013.

Change in Net Position

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,278,795	\$ 1,284,057
Operating grants and contributions	1,130,623	1,125,332
General revenues:		
Property taxes	1,943,680	1,921,467
Grants and entitlements	3,493,886	3,807,812
Investment earnings	19,372	24,236
Other	<u>12,266</u>	<u>39,867</u>
Total revenues	<u>7,878,622</u>	<u>8,202,771</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

Change in Net Position

	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Vocational	3,311,332	2,985,757
Adult/Continuing	779,313	1,033,292
Support services:		
Pupil	602,929	669,434
Instructional staff	672,820	694,836
Board of education	24,097	28,934
Administration	359,811	381,097
Fiscal	340,045	336,468
Operations and maintenance	801,633	854,823
Central	-	3,465
Operations of non-instructional services:		
Other non-instructional services	8,139	-
Food service operations	167,949	161,723
Extracurricular activities	<u>54,414</u>	<u>43,638</u>
Total expenses	<u>7,122,482</u>	<u>7,193,467</u>
Change in net position	756,140	1,009,304
Net position at beginning of year	<u>16,548,642</u>	<u>15,539,338</u>
Net position at end of year	<u>\$ 17,304,782</u>	<u>\$ 16,548,642</u>

Governmental Activities

Net position of the Center's governmental activities increased \$756,140. Total governmental expenses of \$7,122,482, were offset by program revenues of \$2,409,418 and general revenues of \$5,469,204. Program revenues supported 33.83% 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 69.02% of total governmental revenue.

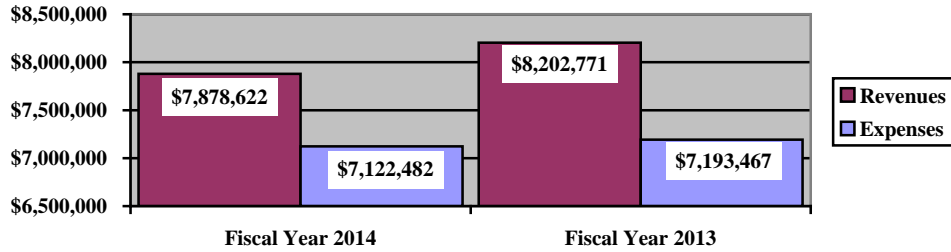
The largest expense of the Center is for instructional programs. Instruction expenses totaled \$4,090,645 or 57.43% of total governmental expenses for fiscal year 2014.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

The graph below presents the Center's governmental activities revenue and expenses for fiscal years 2014 and 2013.

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>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
Program expenses				
Instruction:				
Vocational	\$ 3,311,332	\$ 2,736,784	\$ 2,985,757	\$ 2,713,821
Adult/Continuing	779,313	(4,227)	1,033,292	(51,823)
Support services:				
Pupil	602,929	430,256	669,434	424,309
Instructional staff	672,820	348,301	694,836	361,041
Board of education	24,097	24,097	28,934	28,934
Administration	359,811	231,742	381,097	222,842
Fiscal	340,045	278,035	336,468	276,591
Operations and maintenance	801,633	622,083	854,823	800,252
Central	-	-	3,465	3,465
Operations of non-instructional services:				
Other non-instructional services	8,139	268	-	-
Food service operations	167,949	(8,689)	161,723	(38,992)
Extracurricular activities	<u>54,414</u>	<u>54,414</u>	<u>43,638</u>	<u>43,638</u>
Total expenses	<u>\$ 7,122,482</u>	<u>\$ 4,713,064</u>	<u>\$ 7,193,467</u>	<u>\$ 4,784,078</u>

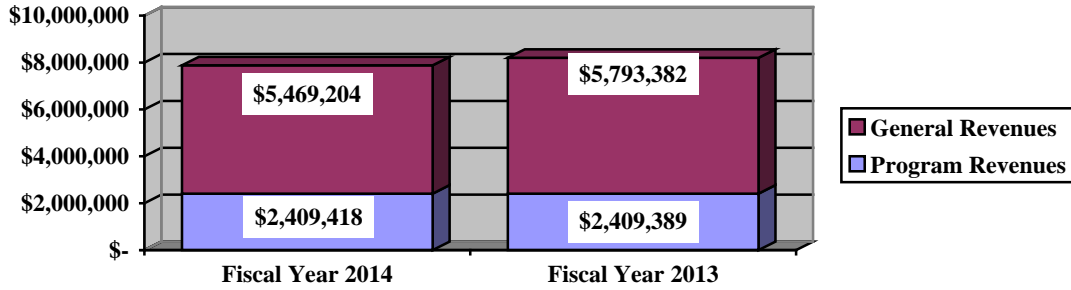
The dependence upon tax and other general revenues for governmental activities is apparent; 66.80% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 66.17%. The Center's taxpayers and unrestricted grants and entitlements 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, 2014
(UNAUDITED)

The graph below presents the Center's governmental activities revenue for fiscal years 2014 and 2013.

Governmental Activities - General and Program Revenues



The Career Center's Funds

The Center's governmental funds reported a combined fund balance of \$6,630,692, which is less than last year's total of \$6,965,574. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and June 30, 2013.

	<u>Fund Balance June 30, 2014</u>	<u>Fund Balance June 30, 2013</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
General	\$ 3,049,783	\$ 3,297,175	\$ (247,392)	(7.50) %
Adult Education	724,151	764,741	(40,590)	(5.31) %
Permanent Improvement	2,798,516	2,852,052	(53,536)	(1.88) %
Other Governmental	<u>58,242</u>	<u>51,606</u>	<u>6,636</u>	12.86 %
Total	<u>\$ 6,630,692</u>	<u>\$ 6,965,574</u>	<u>\$ (334,882)</u>	(4.81) %

General Fund

The Center's general fund balance decreased \$247,392.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

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

	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 1,956,011	\$ 1,929,039	\$ 26,972	1.40 %
Tuition	192,481	192,393	88	0.05 %
Intergovernmental	3,806,065	3,807,812	(1,747)	(0.05) %
Classroom materials and fees	49,052	46,832	2,220	4.74 %
Other revenues	<u>21,184</u>	<u>46,414</u>	<u>(25,230)</u>	(54.36) %
Total	<u>\$ 6,024,793</u>	<u>\$ 6,022,490</u>	<u>\$ 2,303</u>	0.04 %
<u>Expenditures</u>				
Instruction	\$ 2,995,197	\$ 2,868,020	\$ 127,177	4.43 %
Support services	1,964,690	1,976,478	(11,788)	(0.60) %
Extracurricular activities	54,414	43,638	10,776	24.69 %
Facilities acquisition and construction	<u>35,239</u>	<u>114,912</u>	<u>(79,673)</u>	(69.33) %
Total	<u>\$ 5,049,540</u>	<u>\$ 5,003,048</u>	<u>\$ 46,492</u>	0.93 %

Overall revenues of the general fund increased \$2,303 or 0.04%. The most significant decrease of \$25,230 or 54.36% was in other revenues, due to a SkillsUSA Lowe's School Grant received in fiscal year 2013 that was not received in fiscal year 2014. All remaining revenues are comparable to fiscal year 2013.

Overall expenditure of the general fund increases \$46,492 or 0.93%. The largest decrease of \$79,673 or 69.33% was in facilities acquisition and construction, due to less building improvement service expenditures spent throughout the District. Extracurricular activities expenditures increased \$10,776 or 24.69% due to an increase in conference and training expenditures. All other expenditures remained comparable to fiscal year 2013.

Adult Education Fund

The adult education fund had \$1,199,819 in revenues and \$1,240,409 in expenditures. During fiscal year 2014, the adult education fund's fund balance decreased \$40,590 from \$764,741 to \$724,151.

Permanent Improvement Fund

The permanent improvement fund had \$1,242,017 in revenues and other financing sources and \$1,295,553 in expenditures. During fiscal year 2014, the permanent improvement fund's fund balance decreased \$53,536 from \$2,852,052 to \$2,798,516.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

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 2014, the Center amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$5,951,573 and final budgeted revenues and other financing sources were \$5,997,060. Actual revenues and other financing sources for fiscal year 2014 were \$6,135,017. This represents a \$137,957 increase from final budgeted revenues and other financing sources.

General fund original and final appropriations and other financing uses were \$6,493,762. The actual budget basis expenditures and other financing uses for fiscal year 2014 totaled \$6,490,005, which was \$3,757 less than the final budget appropriations and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the Center had \$10,781,230 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, 2014 balances compared to June 30, 2013:

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

	Governmental Activities	
	2014	2013
Land	\$ 152,290	\$ 152,290
Land improvements	170,114	62,622
Building and improvements	8,998,600	8,069,134
Furniture and equipment	1,435,196	1,320,915
Vehicles	25,030	30,752
 Total	 \$ 10,781,230	 \$ 9,635,713

The overall increase in capital assets of \$1,145,517 is due to capital outlays of \$1,517,085 exceeding depreciation expense of \$371,568 in fiscal year 2014.

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

Debt Administration

At June 30, 2014, 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, 2014
(UNAUDITED)

Current Financial Related Activities

Transfers from the General Fund to the Permanent Improvement Fund are earmarked for upgrades and improvements to the facility. Consideration is given to programming needs and improving energy efficiency.

The Center completed the following improvements to the facility in fiscal year 2014 at a total cost of \$1,396,753:

- Renovation of two vacant spaces into Science Labs
- Renovation of existing restaurant, including new finishes, lighting fixtures, equipment and ventilation improvements
- Conversion of existing office into coffee shop
- New outside lighting for driveway and parking lots
- New controls for HVAC system

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 TECHNOLOGY CENTER
COLUMBIANA COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 6,944,648
Receivables:	
Taxes.	2,126,049
Accounts.	6,254
Materials and supplies inventory.	2,995
Capital assets:	
Land and construction in progress	152,290
Depreciable capital assets, net.	10,628,940
Capital assets, net	<u>10,781,230</u>
 Total assets.	 <u>19,861,176</u>
Liabilities:	
Accounts payable.	10,974
Accrued wages and benefits.	308,929
Pension obligation payable.	45,630
Intergovernmental payable	19,173
Unearned revenue	560
Long-term liabilities:	
Due within one year.	66,666
Due in more than one year.	211,077
 Total liabilities	 <u>663,009</u>
Deferred Inflows of Resources:	
Property taxes levied for the next fiscal year	<u>1,893,385</u>
 Total deferred inflows of resources	 <u>1,893,385</u>
Net Position:	
Net investment in capital assets	10,781,230
Restricted for:	
Capital projects	2,798,516
Other purposes	760,997
Unrestricted	<u>2,964,039</u>
 Total net position.	 <u>\$ 17,304,782</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Instruction:				
Vocational	3,311,332	242,731	331,817	(2,736,784)
Adult/Continuing	779,313	547,678	235,862	4,227
Support services:				
Pupil	602,929	54,620	118,053	(430,256)
Instructional staff	672,820	71,945	252,574	(348,301)
Board of education	24,097	-	-	(24,097)
Administration	359,811	97,162	30,907	(231,742)
Fiscal	340,045	49,400	12,610	(278,035)
Operations and maintenance	801,633	136,537	43,013	(622,083)
Operation of non-instructional services:				
Other non-instructional services	8,139	6,270	1,601	(268)
Food service operations	167,949	72,452	104,186	8,689
Extracurricular activities	54,414	-	-	(54,414)
Total governmental activities	<u>\$ 7,122,482</u>	<u>\$ 1,278,795</u>	<u>\$ 1,130,623</u>	<u>(4,713,064)</u>

General Revenues:

Property taxes levied for:	
General purposes	1,943,680
Grants and entitlements not restricted to specific programs	3,493,886
Investment earnings	19,372
Miscellaneous	12,266
Total general revenues	<u>5,469,204</u>
Change in net position	756,140
Net position at beginning of year	<u>16,548,642</u>
Net position at end of year	<u>\$ 17,304,782</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<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.	\$ 3,334,427	\$ 746,364	\$ 2,798,516	\$ 65,341	\$ 6,944,648
Receivables:					
Taxes.	2,126,049	-	-	-	2,126,049
Accounts	27	6,147	-	80	6,254
Materials and supplies inventory.	-	-	-	2,995	2,995
Total assets	<u>\$ 5,460,503</u>	<u>\$ 752,511</u>	<u>\$ 2,798,516</u>	<u>\$ 68,416</u>	<u>\$ 9,079,946</u>
Liabilities:					
Accounts payable	\$ 4,696	\$ 6,278	\$ -	\$ -	\$ 10,974
Accrued wages and benefits.	285,105	15,888	-	7,936	308,929
Intergovernmental payable	15,135	2,910	-	1,128	19,173
Unearned revenue.	-	560	-	-	560
Pension obligation payable	41,796	2,724	-	1,110	45,630
Total liabilities.	<u>346,732</u>	<u>28,360</u>	<u>-</u>	<u>10,174</u>	<u>385,266</u>
Deferred Inflows of Resources:					
Property taxes levied for the next fiscal year.	1,893,385	-	-	-	1,893,385
Delinquent property tax revenue not available	170,603	-	-	-	170,603
Total deferred inflows of resources.	<u>2,063,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,063,988</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory.	-	-	-	2,995	2,995
Restricted:					
Capital improvements	-	-	2,798,516	-	2,798,516
Adult education	-	724,151	-	-	724,151
Food service operations	-	-	-	57,373	57,373
Assigned:					
Student instruction	51,561	-	-	-	51,561
Student and staff support.	50,665	-	-	-	50,665
Extracurricular activities	1,225	-	-	-	1,225
Subsequent year appropriation	240,953	-	-	-	240,953
Other purposes.	30,851	-	-	-	30,851
Unassigned (deficit)	2,674,528	-	-	(2,126)	2,672,402
Total fund balances	<u>3,049,783</u>	<u>724,151</u>	<u>2,798,516</u>	<u>58,242</u>	<u>6,630,692</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,460,503</u>	<u>\$ 752,511</u>	<u>\$ 2,798,516</u>	<u>\$ 68,416</u>	<u>\$ 9,079,946</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total governmental fund balances	\$ 6,630,692
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,781,230
Other long-term assets, such as taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.	170,603
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>(277,743)</u>
Net position of governmental activities	<u>\$ 17,304,782</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	Adult Education	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes	\$ 1,956,011	\$ -	\$ -	\$ -	\$ 1,956,011
Tuition	192,481	833,427	-	-	1,025,908
Charges for services	-	-	-	70,988	70,988
Earnings on investments	-	-	19,372	154	19,526
Extracurricular	1,198	-	-	-	1,198
Classroom materials and fees	49,052	122,465	-	-	171,517
Rentals	7,720	-	-	-	7,720
Contributions and donations	50	-	-	-	50
Other local revenues	12,216	3,996	-	1,464	17,676
Intergovernmental - intermediate	-	8,800	-	-	8,800
Intergovernmental - state	3,771,595	231,131	-	8,141	4,010,867
Intergovernmental - federal	34,470	-	-	566,222	600,692
Total revenues	6,024,793	1,199,819	19,372	646,969	7,890,953
Expenditures:					
Current:					
Instruction:					
Vocational	2,995,197	-	-	19,697	3,014,894
Adult/Continuing	-	710,538	-	96,133	806,671
Support services:					
Pupil	418,045	70,898	-	106,341	595,284
Instructional staff	329,182	93,386	-	235,121	657,689
Board of education	24,097	-	-	-	24,097
Administration	251,817	126,119	-	6,106	384,042
Fiscal	274,354	64,122	-	-	338,476
Operations and maintenance	667,195	167,207	-	10,132	844,534
Operation of non-instructional services:					
Other operation of non-instructional	-	8,139	-	-	8,139
Food service operations	-	-	-	166,803	166,803
Extracurricular activities	54,414	-	-	-	54,414
Facilities acquisition and construction	35,239	-	1,295,553	-	1,330,792
Total expenditures	5,049,540	1,240,409	1,295,553	640,333	8,225,835
Excess (deficiency) of revenues over (under) expenditures	975,253	(40,590)	(1,276,181)	6,636	(334,882)
Other financing sources (uses):					
Transfers in	-	-	1,222,645	-	1,222,645
Transfers (out)	(1,222,645)	-	-	-	(1,222,645)
Total other financing sources (uses)	(1,222,645)	-	1,222,645	-	-
Net change in fund balances	(247,392)	(40,590)	(53,536)	6,636	(334,882)
Fund balances at beginning of year	3,297,175	764,741	2,852,052	51,606	6,965,574
Fund balances at end of year	\$ 3,049,783	\$ 724,151	\$ 2,798,516	\$ 58,242	\$ 6,630,692

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNOLOGY 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, 2014

Net change in fund balances - total governmental funds \$ (334,882)

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

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
outlay exceeds depreciation expense in the current period.

Capital asset additions	\$	1,517,085	
Current year depreciation		<u>(371,568)</u>	
 Total			 1,145,517

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. (12,331)

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. (42,164)

Change in net position of governmental activities \$ 756,140

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNOLOGY 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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 1,939,872	\$ 1,955,420	\$ 1,955,446	\$ 26
Tuition.	191,052	192,479	192,481	2
Rental income	6,903	6,960	7,720	760
Contributions and donations	50	50	50	-
Other local revenues	8,615	8,680	8,756	76
Intergovernmental - state	3,748,039	3,776,002	3,771,595	(4,407)
Intergovernmental - federal	34,214	34,470	34,470	-
Total revenues	<u>5,928,745</u>	<u>5,974,061</u>	<u>5,970,518</u>	<u>(3,543)</u>
Expenditures:				
Current:				
Instruction:				
Vocational.	3,038,320	3,038,320	3,041,682	(3,362)
Support services:				
Pupil.	412,356	412,356	412,356	-
Instructional staff	328,660	328,660	328,660	-
Board of education	25,420	25,420	25,420	-
Administration.	255,371	255,371	255,371	-
Fiscal	270,661	270,661	270,661	-
Operations and maintenance.	852,368	852,368	703,749	148,619
Extracurricular activities.	52,722	52,722	52,722	-
Facilities acquisition and construction	35,239	35,239	35,239	-
Total expenditures	<u>5,271,117</u>	<u>5,271,117</u>	<u>5,125,860</u>	<u>145,257</u>
Excess of revenues over expenditures.	<u>657,628</u>	<u>702,944</u>	<u>844,658</u>	<u>141,714</u>
Other financing sources (uses):				
Refund of prior year's expenditures	21,935	22,099	22,099	-
Transfers (out).	(1,222,645)	(1,222,645)	(1,222,645)	-
Advances in.	-	-	141,500	141,500
Advances (out)	-	-	(141,500)	(141,500)
Sale of capital assets	893	900	900	-
Total other financing sources (uses)	<u>(1,199,817)</u>	<u>(1,199,646)</u>	<u>(1,199,646)</u>	<u>-</u>
Net change in fund balance	(542,189)	(496,702)	(354,988)	141,714
Fund balance at beginning of year	3,475,776	3,475,776	3,475,776	-
Prior year encumbrances appropriated	74,479	74,479	74,479	-
Fund balance at end of year	<u>\$ 3,008,066</u>	<u>\$ 3,053,553</u>	<u>\$ 3,195,267</u>	<u>\$ 141,714</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLUMBIANA COUNTY CAREER AND TECHNOLOGY 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, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Tuition	\$ 959,844	\$ 825,534	\$ 840,665	\$ 15,131
Classroom materials and fees	139,655	120,113	122,315	2,202
Other local revenues	4,562	3,924	3,996	72
Intergovernmental - intermediate	15,071	12,962	13,200	238
Intergovernmental - state	263,898	226,971	231,131	4,160
Total revenue	<u>1,383,030</u>	<u>1,189,504</u>	<u>1,211,307</u>	<u>21,803</u>
Expenditures:				
Current:				
Instruction:				
Adult/continuing	1,091,354	862,591	714,424	148,167
Support Services:				
Pupil	105,942	83,735	69,352	14,383
Instructional staff	139,198	110,020	91,122	18,898
Administration	187,433	148,145	122,698	25,447
Fiscal	97,583	77,128	63,880	13,248
Operations and maintenance	253,191	200,118	165,744	34,374
Operation of non-instructional services	11,604	9,171	7,596	1,575
Total expenditures	<u>1,886,305</u>	<u>1,490,908</u>	<u>1,234,816</u>	<u>256,092</u>
Excess of revenues over (under) expenditures	<u>(503,275)</u>	<u>(301,404)</u>	<u>(23,509)</u>	<u>277,895</u>
Other financing sources (uses):				
Refund of prior year's expenditures	3,924	3,375	3,437	62
Refund of prior year's receipts	(21,959)	(17,356)	(14,375)	2,981
Total other financing sources (uses)	<u>(18,035)</u>	<u>(13,981)</u>	<u>(10,938)</u>	<u>3,043</u>
Net change in fund balance	(521,310)	(315,385)	(34,447)	280,938
Fund balance at beginning of year	759,768	759,768	759,768	-
Prior year encumbrances appropriated	8,264	8,264	8,264	-
Fund balance at end of year	<u>\$ 246,722</u>	<u>\$ 452,647</u>	<u>\$ 733,585</u>	<u>\$ 280,938</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments.	\$ 4,110	\$ 13,446
Total assets.	4,110	\$ 13,446
Liabilities:		
Due to students.	-	\$ 13,446
Total liabilities	-	\$ 13,446
Net position:		
Held in trust for scholarships	4,110	
Total net position.	\$ 4,110	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Private-Purpose Trust
	Scholarship
Additions:	
Gifts and contributions	\$ 3,060
Total additions	3,060
Deductions:	
Scholarships awarded	2,400
Change in net position	660
Net position at beginning of year	3,450
Net position at end of year	\$ 4,110

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, 2014**

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 at the secondary level by 33 certified employees to provide service to approximately 524 high school students. At the adult level, the center is staffed with 6 full-time and 65 part-time certified employees to provide service to approximately 400 adult students. Additionally, 17 non-certified employees are employed to provide service at both levels.

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'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" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". 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 government's 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, 2014

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 26 school districts, two career and technical centers, two educational service centers, 20 non-public schools and two Special Education Regional Resource 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, at 100 DeBartolo Place, Suite 222, Youngstown, Ohio 44512-7019.

INSURANCE PURCHASING POOLS

Stark County Schools Council of Governments

The Stark County Schools Council of Governments Health Benefit Plan is a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The consortium is governed by an assembly, which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services.

Worker's Compensation Group Rating Program

The Center participates in a group rating plan (GRP) for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the Center pays an enrollment fee to the GRP 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 and deferred inflows of resources 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, 2014

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 and report all financial resources not accounted for and reported 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 specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

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 proprietary funds.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. 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 one trust fund, which accounts for the endowment fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center's agency funds account for student activities and Center agency services.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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

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. 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 deferred outflows of resources and current liabilities and deferred inflows of resources 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.

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.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the Center that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the Center that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at June 30, 2014, are recorded as deferred inflows on the governmental fund financial statements.

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

Unearned Revenue - On the governmental fund financial statements and the statement of net position, unearned revenue is recorded as a liability for amounts resulting from exchange transactions received for services to be provided by the Center in a future reporting period.

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.

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 2014 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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.
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, 2014; however, none of these amendments were significant. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

During fiscal year 2014, investments were limited to investments in 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.

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 food service fund during fiscal year 2014 amounted to \$154, and interest revenue credited to the permanent improvement capital projects fund during fiscal year 2014 amounted to \$19,372.

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.

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 non spendable fund balance 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 that generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, 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 \$5,000. 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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>	Governmental Activities <u>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 position. There were no interfund balances at June 30, 2014.

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2014, 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, 2014 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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

Fund balance is divided into five classifications based primarily on the extent to which the Center is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Center Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Center Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Center for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

The Center applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service and adult education funds.

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

N. 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.

O. Interfund Activity

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

P. 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 2014.

**COLUMBIANA COUNTY CAREER AND TECHNICAL CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2014, the Center has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the Center.

B. Deficit Fund Balances

Fund balances at June 30, 2014 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Adult basic education	\$ 322
Vocational education	1,804

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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;

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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 \$1,050 in undeposited cash on hand which is included on the financial statements of the Center as part of "equity in pooled cash and investments".

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At June 30, 2014, the carrying amount of all Center deposits was \$6,163,948, exclusive of the \$797,206 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, 2014, \$1,250,000 of the Center’s bank balance of \$6,225,078 was exposed to custodial risk as discussed below, while \$4,975,078 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.

C. Investments

As of June 30, 2014, the Center had the following investments and maturities:

<u>Investment Type:</u>	<u>Fair Value</u>	<u>Investment Maturities</u> 6 months or less
Repurchase agreements	<u>\$ 797,206</u>	<u>\$ 797,206</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 \$797,206 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: The federal agency securities that underlie the Center’s repurchase agreement were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. The Center’s investment policy does not specifically address credit risk beyond requiring the Center to only invest in securities authorized by State statute.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The Center places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Center at June 30, 2014:

<u>Investment Type:</u>	<u>Fair Value</u>	<u>% or Total</u>
Repurchase agreements	\$ 797,206	100.00

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

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 position as of June 30, 2014:

<u>Cash and investments per note</u>	
Carry amount of deposits	\$ 6,163,948
Investments	797,206
Cash on hand	<u>1,050</u>
Total	<u>\$ 6,962,204</u>
<u>Cash and investments per note</u>	
Governmental activities	\$ 6,944,648
Private-purpose trust fund	4,110
Agency funds	<u>13,446</u>
Total	<u>\$ 6,962,204</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2014, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Permanent improvement fund	<u>\$ 1,222,645</u>

Transfers are used to move revenues from the fund that statute or budget requires 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, 2014**

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District 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 and public utility property. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, 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 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, 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.

The District receives property taxes from Columbiana, Jefferson and Mahoning Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$62,061 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2013 was \$61,567 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 delinquent tangible personal property taxes which are measurable as of June 30, 2014 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 deferred inflows.

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 reported as a deferred inflow.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 951,711,130	93.95	\$ 962,471,620	93.49
Public utility personal	<u>61,288,010</u>	<u>6.05</u>	<u>66,966,140</u>	<u>6.51</u>
Total	<u>\$ 1,012,999,140</u>	<u>100.00</u>	<u>\$ 1,029,437,760</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 2.80		\$ 2.80	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2014 consisted of taxes and accounts (billings for user charged services and student fees). 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 position follows:

Governmental activities:

Taxes	\$ 2,126,049
Accounts	<u>6,254</u>
Total	<u>\$ 2,132,303</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, 2014

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance			Balance
	<u>06/30/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/14</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	319,592	107,492	-	427,084
Buildings and improvements	11,049,912	1,277,018	-	12,326,930
Furniture and equipment	2,822,736	132,575	(241,574)	2,713,737
Vehicles	155,137	-	(57,578)	97,559
Total capital assets, being depreciated	<u>14,347,377</u>	<u>1,517,085</u>	<u>(299,152)</u>	<u>15,565,310</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(256,970)	-	-	(256,970)
Buildings and improvements	(2,980,778)	(347,552)	-	(3,328,330)
Furniture and equipment	(1,501,821)	(18,294)	241,574	(1,278,541)
Vehicles	(124,385)	(5,722)	57,578	(72,529)
Total accumulated depreciation	<u>(4,863,954)</u>	<u>(371,568)</u>	<u>299,152</u>	<u>(4,936,370)</u>
Governmental activities capital assets, net	<u>\$ 9,635,713</u>	<u>\$ 1,145,517</u>	<u>\$ -</u>	<u>\$ 10,781,230</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Vocational	358,938
Adult/continuing	1,783
<u>Support services:</u>	
Instructional staff	1,976
Administration	265
Fiscal	118
Operations and maintenance	7,342
Food service operations	<u>1,146</u>
Total depreciation expense	<u>\$ 371,568</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 9 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2014, the following activity occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/13</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>06/30/14</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 235,579	\$ 98,385	\$ (56,221)	\$ 277,743	\$ 66,666
Total long-term obligations, governmental activities	<u>\$ 235,579</u>	<u>\$ 98,385</u>	<u>\$ (56,221)</u>	<u>\$ 277,743</u>	<u>\$ 66,666</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, 2014, are a voted debt margin of \$92,649,398 and an unvoted debt margin of \$1,029,438.

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 Consumers 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, 2014

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 2014, 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	\$31,821,934
Boiler	1,000	31,821,934
EDP Coverage	500	946,481
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

The Center contracts with Stark County Schools Council of Governments, an insurance purchasing pool (See Note 2.A.), to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The Center pays a monthly contribution that is placed in a common fund from which claim payments are made for all participating districts. The Center's Board of Education pays a portion of the monthly premium.

C. Workers' Compensation

For fiscal year 2014, the Center participated in the Sheakley Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control and actuarial services to the GRP.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District 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 District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. 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 14 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 District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$97,690, \$93,041 and \$90,414, respectively; 100 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

B. State Teachers Retirement System of Ohio

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

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 12 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The District 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 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$374,895, \$376,151 and \$341,209, respectively; 100 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$18,958 made by the District and \$14,896 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, 2014 certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District 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 Section 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 monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the 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".

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 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 2014, the actuarially determined amount was \$20,250.

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 District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$3,680, \$11,664 and \$15,120, respectively; 100 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$5,668, \$5,256 and \$5,339, respectively; 100 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

B. State Teachers Retirement System of Ohio

Plan Description - The District 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, under "Publications" 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 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$28,838, \$28,935 and \$26,247, respectively; 100 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (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 assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General Fund</u>	<u>Adult Education</u>
Budget basis	\$ (354,988)	\$ (34,447)
Net adjustment for revenue accruals	1,394	(11,488)
Net adjustment for expenditure accruals	36,870	(18,372)
Net adjustment for other sources/uses	(22,999)	10,938
Funds budgeted elsewhere	(8,863)	-
Adjustment for encumbrances	<u>101,194</u>	<u>12,779</u>
GAAP basis	<u>\$ (247,392)</u>	<u>\$ (40,590)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special rotary fund and the public school support fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 - SET-ASIDES

The Center is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	56,217
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(170,461)
Excess qualified expenditures from prior years	-
Current year offsets	(1,222,645)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	<u>\$ (1,336,889)</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u><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, 2014

NOTE 17 - OTHER COMMITMENTS

The Center utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Center's commitments for encumbrances in the governmental funds were as follows:

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 98,016
Adult education	6,092
Permanent improvement	6,200
Nonmajor governmental funds	<u>8,032</u>
 Total	 \$ <u>118,340</u>

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

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Federal Grantor/ Pass Through Grantor / Program Title	Federal CFDA Number	Grant Year	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through The Ohio Department of Education:</i>				
Child Nutrition Cluster:				
National School Breakfast Program	10.553		\$ 28,510	\$ 28,510
National School Lunch Program	10.555		70,678	70,678
Cash Assistance			99,188	99,188
Non-Cash Assistance (Food Distribution)	10.555		1,510	1,510
Total Child Nutrition Cluster			<u>100,698</u>	<u>100,698</u>
Total U.S. Department of Agriculture			<u>100,698</u>	<u>100,698</u>
U.S. DEPARTMENT OF EDUCATION				
<i>Direct Programs:</i>				
Student Financial Aid Cluster:				
Federal Pell Grant Program	84.063	FY2014	552,426	552,426
Total Student Financial Aid Cluster			<u>552,426</u>	<u>552,426</u>
<i>Passed Through The Ohio Department of Education:</i>				
Adult Education - Basic Grants to States	84.002	FY2014	149,235	147,567
Adult Education - Basic Grants to States	84.002	FY2013	-	1,035
Total Adult Education - Basic Grants to States			<u>149,235</u>	<u>148,602</u>
Career and Technical Education - Basic Grants to States	84.048	FY2014	312,591	306,227
Title II-A Improving Teacher Quality State Grants	84.367	FY2014	2,704	2,704
Total U.S. Department of Education			<u>1,016,956</u>	<u>1,009,959</u>
Total Federal Financial Assistance			<u>\$ 1,117,654</u>	<u>\$ 1,110,657</u>

The accompanying notes are an integral part of this schedule

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

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPEDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A – Significant Accounting Policies

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) reports the Columbiana County Career and Technical Center's (the Center's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

Note B – Child Nutrition Cluster

The Center comingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Center assumes it expends federal monies first.

Note C – Food Donation

The Center reports commodities consumed on the Schedule at the fair value. The Center allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

January 23, 2015

Columbiana County Career and Technical Center
Columbiana County
9364 State Route 45
Lisbon, OH 44432

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Columbiana County Career and Technical Center**, Columbiana County, (the Center) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 23, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Center's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Center's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

January 23, 2015

Columbiana County Career and Technical Center
Columbiana County
9364 State Route 45
Lisbon, OH 44432

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the **Columbiana County Career and Technical Center's** (the Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Columbiana County Career and Technical Center's major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Center's major federal programs.

Management's Responsibility

The Center's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Center's compliance for each of the Center's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the Center's major programs. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Columbiana County Career and Technical Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The Center's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Center's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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

SCHEDULE OF AUDIT FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None