TRUMBULL CAREER & TECHNICAL CENTER
TRUMBULL COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

TRUMBULL CAREER & TECHNICAL CENTER
TRUMBULL COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Trumbull Career & Technical Center, Trumbull County, (the Center) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Trumbull Career & Technical Center, Trumbull County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the Center, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Jim Petro
Auditor of State

January 10, 2002

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Trumbull Career & Technical Center
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals 2001
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term	(Memorandum) (Only)
Assets and Other Debits:									
Equity in Pooled Cash and Investments	$5,399,669	68,363	0	625,210	181,853	62,917	0	0	$ 6,338,012
Restricted Assets	49,002	0	0	0	0	0	0	0	49,002
Taxes Receivable	4,462,412	0	149,705	0	0	0	0	0	4,612,117
Interfund Receivable	200,222	0	0	0	0	0	0	0	200,222
Due from Other Funds	0	0	0	0	0	20,720	0	0	20,720
Intergovernmental Receivable	177	57,437	0	0	0	0	0	0	57,614
Accounts Receivable	146,957	0	0	0	111,241	2,618	0	0	260,816
Supplies Inventory	37,944	0	0	0	821	0	0	0	38,765
Inventory for Resale	0	0	0	0	4,271	0	0	0	4,271
Property, Plant & Equipment (net where	0	0	0	0	42,977	0	12,819,545	0	12,862,522
Amount to be Provided for Retirement of General Long Term Debt	0	0	0	0	0	0	0	2,257,462	2,257,462
Total Assets and Other Debits	$10,296,383	125,800	149,705	625,210	341,163	86,255	12,819,545	2,257,462	$26,701,523

See Accompanying Notes to the General Purpose Financial Statements.

Trumbull Career & Technical Center
Combined Balance Sheet
All Fund Types and Account Groups, Continued
June 30, 2001

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals 2001
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Trust and Agency	General Fixed Assets	General Long Term Debt	(Memorandum) (Only)
Liabilities:									
Interfund Payable	$ 0	128,461	0	0	71,761	0	0	0	$ 200,222
Due to Other Funds	19,995	301	0	0	424	0	0	0	20,720
Intergovernmental Payable	97,295	7,750	0	0	3,473	32,531	0	7,178	148,227
Accounts Payable	26,320	8,259	0	0	5,480	0	0	0	40,059
Accrued Salaries and Benefits	759,140	58,977	0	0	50,057	0	0	0	868,174
Deferred Revenue	4,447,554	0	149,705	0	2,218	0	0	0	4,599,477
Due to Others	0	0	0	0	0	47,180	0	0	47,180
Energy Conservation Notes Payable	0	0	0	0	0	0	0	1,338,474	1,338,474
Capital Leases Payable	0	0	0	0	5,299	0	0	0	5,299
Compensated Absences Payable	17,399	276	0	0	8,029	0	0	911,810	937,514
Total Liabilities	5,367,703	204,024	149,705	0	146,741	79,711	0	2,257,462	8,205,346
Fund Equity and Other Credits:									
Investment in General Fixed Assets	0	0	0	0	0	0	12,819,545	0	12,819,545
Retained Earnings	0	0	0	0	194,422	0	0	0	194,422
Fund Balances:									
Reserved for BWC	49,002	0	0	0	0	0	0	0	49,002
Reserved for Inventory	37,944	0	0	0	0	0	0	0	37,944
Reserved for Encumbrances	58,633	39,874	0	5,284	0	0	0	0	103,791
Reserved for Future Appropriation	14,858	0	0	0	0	0	0	0	14,858
Unreserved Fund Balance	4,768,243	(118,098)	0	619,926	0	6,544	0	0	5,276,615
Total Fund Equity	4,928,680	(78,224)	0	625,210	0	6,544	0	0	5,482,210
Total Fund Balances/Retained Earnings and	4,928,680	(78,224)	0	625,210	194,422	6,544	12,819,545	0	18,496,177
Total Liabilities, Fund Equity, and Other	$ 10,296,383	125,800	149,705	625,210	341,163	86,255	12,819,545	2,257,462	$ 26,701,523

See Accompanying Notes to the General Purpose Financial Statements.

Trumbull Career & Technical Center
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types and Expendable Trust Funds
Year Ended June 30, 2001

	Governmental Fund Types				Fiduciary Fund Type	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum) (Only)
REVENUES:						
Taxes	$ 3,860,016	0	149,702	0	0	$ 4,009,718
Earnings on Investments	409,003	0	0	0	0	409,003
Extracurricular Activities	0	1,015	0	0	0	1,015
Miscellaneous	45,579	0	0	0	1,696	47,275
Revenue from Intermediate Sources						
Revenue for/on Behalf of District	0	0	0	0	4,000	4,000
Revenue from State Sources						
Unrestricted Grants-in-Aid	4,858,187	172,298	0	50,723	0	5,081,208
Restricted Grants-in-Aid	0	13,239	0	0	0	13,239
Revenue from Federal Sources						
Restricted Grants-in-Aid	1,000	599,147	0	0	0	600,147
Total Revenue	9,173,785	785,699	149,702	50,723	5,696	10,165,605
EXPENDITURES:						
Instruction						
Regular	575,896	0	0	0	500	576,396
Vocational	4,159,613	339,994	0	82,450	3,995	4,586,052
Adult/Continuing	461	100,801	0	0	0	101,262
Supporting Services						
Pupils	145,851	247,695	0	0	0	393,546
Instructional Staff	9,247	66,831	0	0	0	76,078
Board of Education	21,267	0	0	0	0	21,267
Administration	947,165	18,757	0	0	679	966,601
Fiscal Services	400,440	0	0	0	0	400,440
Business	78,392	0	0	0	0	78,392
Operation & Maintenance-Plant	983,114	1,730	0	332,718	0	1,317,562
Pupil Transportation	11,102	0	0	0	0	11,102
Central Services	0	131,144	0	409	0	131,553
Food Services	3,869	0	0	0	0	3,869
Occupation Oriented Activities	4,149	0	0	0	0	4,149
Capital Outlay						
Other Facility Acquisition &	0	0	0	66,855	0	66,855
Debt Service						
Repayment of Debt	0	0	149,705	0	0	149,705
Total Expenditures	7,340,566	906,952	149,705	482,432	5,174	8,884,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,833,219	(121,253)	(3)	(431,709)	522	1,280,776
Other Financing Sources and Uses:						
Sale & Loss of Assets	250	0	0	0	0	250
Proceeds from Sale of Notes	0	0	0	0	0	0
Transfers-In	0	37,039	0	300,000	0	337,039
Refund of Prior Years Expenditures	25,517	0	0	0	0	25,517
Transfers-Out	(380,860)	0	0	0	0	(380,860)
Refund of Prior Years Receipts	0	(3,182)	0	0	0	(3,182)
Net Other Financing Sources and Uses	(355,093)	33,857	0	300,000	0	(21,236)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,478,126	(87,396)	(3)	(131,709)	522	1,259,540
Increase/Decrease in Inventory	0	0	0	0	0	0
Beginning Fund Balance	3,450,554	9,172	3	756,919	6,022	4,222,670
Ending Fund Balance	$ 4,928,680	(78,224)	0	625,210	6,544	$ 5,482,210

See Accompanying Notes to the General Purpose Financial Statements.

Trumbull Career & Technical Center
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
All Governmental Fund Types and Expendable Trust Funds
Year Ended June 30, 2001

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	$ 3,861,818	$ 3,861,818	0	0	0	$ 0
Earnings on Investment	334,506	334,506	0	0	0	0
Extracurricular Activities	0	0	0	1,015	1,015	0
Miscellaneous	25,585	25,585	0	0	0	0
Local Restricted Grants-in-Aid	0	0	0	0	0	0
Revenue for/on Behalf of District	705	705	0	0	0	0
State Unrestricted Grants-in-Aid	4,862,384	4,862,384	0	166,056	166,056	0
State Restricted Grants-in-Aid	0	0	0	13,239	13,239	0
Federal Restricted Grants-in-Aid	1,000	1,000	0	575,524	575,524	0
Total Revenue	9,085,998	9,085,998	0	755,834	755,834	0
Expenditures:						
Regular Instruction	631,346	490,180	141,166	0	0	0
Vocational Instruction	4,405,083	4,251,514	153,569	385,731	369,876	15,855
Adult/Continuing Instruction	0	0	0	108,459	100,801	7,658
Support Services-Pupils	135,882	147,453	(11,571)	272,240	242,844	29,396
Support Services-Instructional	41,916	9,238	32,678	67,880	66,854	1,026
Support Services-Board of	29,713	21,286	8,427	0	0	0
Support Services-Administration	1,005,813	978,054	27,759	19,338	19,148	190
Support Services-Fiscal Services	369,037	397,468	(28,431)	0	0	0
Support Services-Business	96,029	81,373	14,656	0	0	0
Operation & Maintenance-Plant	1,044,694	1,037,561	7,133	1,730	1,730	0
Support Services-Transportation	10,682	12,289	(1,607)	0	0	0
Support Services-Central	0	0	0	139,338	133,740	5,598
Food Services	5,000	3,869	1,131	0	0	0
Occupation Oriented Activities	1,600	4,149	(2,549)	0	0	0
Facilities Acquisition &	0	0	0	0	0	0
Repayment of Debt	0	0	0	0	0	0
Total Expenditures	7,776,795	7,434,434	342,361	994,716	934,993	59,723
Excess of Revenue Over (Under) Expenditures	1,309,203	1,651,564	342,361	(238,882)	(179,159)	59,723
Other Financing Sources (Uses):						
Sale & Loss of Assets	250	250	0	0	0	0
Transfer-In	0	0	0	37,039	37,039	0
Advances-In	0	246,491	246,491	0	128,462	128,462
Refund of Prior Years	29,050	29,050	0	0	0	0
Transfers-Out	(375,000)	(380,860)	(5,860)	0	0	0
Advances-Out	(175,000)	(200,223)	(25,223)	0	(130,003)	(130,003)
Refund of Prior Years Receipts	0	0	0	(3,238)	(3,238)	0
Total Other Sources (Uses)	(520,700)	(305,292)	215,408	33,801	32,260	(1,541)
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	788,503	1,346,272	557,769	(205,081)	(146,899)	58,182
Beginning Fund Balance	3,850,536	3,850,536	--	58,901	58,901	--
Prior Year Carry Over	166,888	166,888	--	108,870	108,870	--
Ending Fund Balance	$ 4,805,927	5,363,696	557,769	(37,310)	20,872	$ 58,182

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Trumbull Career & Technical Center
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
All Governmental Fund Types and Expendable Trust Funds - Continued
Year Ended June 30, 2001

	Debt Service Funds			Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	$ 149,702	149,702	0	0	0	$ 0
Earnings on Investment	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Local Restricted Grants-in-Aid	0	0	0	0	0	0
Revenue for/on Behalf of District	0	0	0	0	0	0
State Unrestricted Grants-in-Aid	0	0	0	50,723	50,723	0
State Restricted Grants-in-Aid	0	0	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	0	0	0
Total Revenue	149,702	149,702	0	50,723	50,723	0
Expenditures:						
Regular Instruction	0	0	0	0	0	0
Vocational Instruction	0	0	0	130,867	83,481	47,386
Adult/Continuing Instruction	0	0	0	0	0	0
Support Services-Pupils	0	0	0	0	0	0
Support Services-Instructional	0	0	0	0	0	0
Support Services-Board of	0	0	0	0	0	0
Support Services-Administration	0	0	0	0	0	0
Support Services-Fiscal Services	0	0	0	0	0	0
Support Services-Business	0	0	0	0	0	0
Operation & Maintenance-Plant	0	0	0	390,035	336,772	53,263
Support Services-Transportation	0	0	0	0	0	0
Support Services-Central	0	0	0	1,409	409	1,000
Food Services	0	0	0	0	0	0
Occupation Oriented Activities	0	0	0	0	0	0
Facilities Acquisition &	0	0	0	348,378	67,055	281,323
Repayment of Debt	149,705	149,705	0	0	0	0
Total Expenditures	149,705	149,705	0	870,689	487,717	382,972
Excess of Revenue Over (Under) Expenditures	(3)	(3)	0	(819,966)	(436,994)	382,972
Other Financing Sources (Uses):						
Sale and Loss of Assets	0	0	0	0	0	0
Transfers-In	0	0	0	300,000	300,000	0
Advances-In	0	0	0	0	0	0
Refund of Prior Years	0	0	0	0	0	0
Transfers-Out	0	0	0	0	0	0
Advances-Out	0	0	0	0	0	0
Advances-Out	0	0	0	0	0	0
Total Other Sources (Uses)	0	0	0	300,000	300,000	0
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3)	(3)	0	(519,966)	(136,994)	382,972
Beginning Fund Balance	3	3	--	717,831	717,831	--
Prior Year Carry Over	0	0	--	39,088	39,088	--
Ending Fund Balance	$ 0	0	0	236,953	619,925	$ 382,972

(Continued)

Trumbull Career & Technical Center
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
All Governmental Fund Types and Expendable Trust Funds - Continued
Year Ended June 30, 2001

	Expendable Trust Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	$ 0	0	0	4,011,520	4,011,520	$ 0
Earnings on Investment	0	0	0	334,506	334,506	0
Extracurricular Activities	0	0	0	1,015	1,015	0
Miscellaneous	1,696	1,696	0	27,281	27,281	0
Local Restricted Grants-in-Aid	4,000	4,000	0	4,000	4,000	0
Revenue for/on Behalf of District	0	0	0	705	705	0
State Unrestricted Grants-in-Aid	0	0	0	5,079,163	5,079,163	0
State Restricted Grants-in-Aid	0	0	0	13,239	13,239	0
Federal Restricted Grants-in-Aid	0	0	0	576,524	576,524	0
Total Revenue	5,696	5,696	0	10,047,953	10,047,953	0
Expenditures:						
Regular Instruction	0	500	(500)	631,346	490,680	140,666
Vocational Instruction	4,000	3,994	6	4,925,681	4,708,865	216,816
Other Instruction	0	0	0	108,459	100,801	7,658
Support Services-Pupils	0	0	0	408,122	390,297	17,825
Support Services-Instructional	0	0	0	109,796	76,092	33,704
Support Services-Board of	0	0	0	29,713	21,286	8,427
Support Services-Administration	500	679	(179)	1,025,651	997,881	27,770
Support Services-Fiscal Services	0	0	0	369,037	397,468	(28,431)
Support Services-Business	0	0	0	96,029	81,373	14,656
Operation & Maintenance-Plant	0	0	0	1,436,459	1,376,063	60,396
Support Services-Transportation	0	0	0	10,682	12,289	(1,607)
Support Services-Central	0	0	0	140,747	134,149	6,598
Food Services	0	0	0	5,000	3,869	1,131
Occupation Oriented Activities	0	0	0	1,600	4,149	(2,549)
Facilities Acquisition &	0	0	0	348,378	67,055	281,323
Repayment of Debt	0	0	0	149,705	149,705	0
Total Expenditures	4,500	5,173	(673)	9,796,405	9,012,022	784,383
Excess of Revenue Over (Under) Expenditures	1,196	523	(673)	251,548	1,035,931	784,383
Other Financing Sources (Uses):						
Sale & Loss of Assets	0	0	0	250	250	0
Proceeds from Sale of Notes	0	0	0	337,039	337,039	0
Transfers-In	0	0	0	0	374,953	374,953
Advances-In	0	0	0	29,050	29,050	0
Refund of Prior Years	0	0	0	(375,000)	(380,860)	(5,860)
Transfers-Out	0	0	0	(175,000)	(330,226)	(155,226)
Advances-Out	0	0	0	(3,238)	(3,238)	0
Total Other Sources (Uses)	0	0	0	(186,899)	26,968	213,867
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,196	523	(673)	64,649	1,062,899	998,250
Beginning Fund Balance	6,022	6,022	--	4,633,293	4,633,293	--
Prior Year Carry Over	0	0	--	314,846	314,846	--
Ending Fund Balance	$ 7,218	6,545	(673)	5,012,788	6,011,038	$ 998,250

See Accompanying Notes to the General Purpose Financial Statements.

Trumbull Career & Technical Center
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
Proprietary Fund Type
Year Ended June 30, 2001

	Enterprise Funds
Operating Revenues:	
Tuition	$1,185,931
Food Service	147,558
Classroom Materials & Fees	93,116
Miscellaneous	102,029
Total Operating Revenue	1,528,634
Operating Expenses:	
Personal Services - Salary	1,077,601
Employee Benefits	349,218
Purchased Services	93,764
Supplies and Materials	435,937
Other Expense	7,405
Depreciation	9,984
Total Operating Expense	1,973,909
Operating Loss	(445,275)
Non-Operating Revenues:	
State Unrestricted Grants-In-Aid	293,755
Federal Restricted Grants-in-Aid	29,709
Total Non-Operating Revenue	323,464
Net Income Before Operating Transfers	(121,811)
Operating Transfers-In	35,821
Net Income (Loss)	(85,990)
Beginning Retained Earnings	280,412
Retained Earnings at End of Year	$ 194,422

See Accompanying Notes to the General Purpose Financial

Trumbull Career & Technical Center
Combined Statement of Changes in Cash Flows
Proprietary Fund Type
Year Ended June 30, 2001

	Enterprise Funds
Cash Flows from Operating Activities	
Operating Loss	$ (445,275)
Adjustment to Reconcile Operating Income To Net Cash used in Operating Activities:	
Depreciation	9,984
Net (Increases) Decreases in Assets:	
Accounts Receivable	(76,883)
Inventory	374
Net Increases (Decreases) in Liabilities:	
Interfund Payable	(44,727)
Due to Other Funds	(223)
Intergovernmental Payable	(7,578)
Accounts Payable	3,081
Accrued Salaries and Benefits	(36,893)
Deferred Revenue	995
Compensated Absences	(32,593)
Net Adjustments	(184,463)
Net Cash Used in Operating Activities	(629,738)
Cash Flows from Noncapital Financing Activities:	
Transfers from other Funds	35,821
Operating Grants from State Sources	293,755
Operating Grants from Federal Sources	29,709
Net Cash Provided by Noncapital Financing Activities	359,285
Net Increase in Cash & Cash Equivalents	(270,453)
Cash and Cash Equivalents at Beginning of Year	452,306
Cash and Cash Equivalents at End of Year	$ 181,853

See Accompanying Notes to General Purpose Financial Statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trumbull Career & Technical Center (the Center) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant Center accounting policies are described below.

A. Reporting Entity

The Center was organized under section 3311.18 of the Ohio Revised Code. The Center is a fiscally independent political subdivision of the State of Ohio. The Center is governed by a fifteen member Board of Education. Board of Education members are appointed from their respective Boards of Education, eleven local school districts: Bloomfield-Mespo Local, Bristol Local, Brookfield Local, Champion Local, Joseph Badger Local, LaBrae Local, Lakeview Local, Liberty Local, Maplewood Local, Mathews Local, Southington Local, and one representative each from Warren City, Girard City, Newton Falls Exempted Village, and Hubbard Exempted Village.

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

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

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all the organizations, activities, functions and component units for which the Center (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Center's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Center. Based upon the application of the criteria listed above, there are no component units.

The Center accepts non-tuition students from each of the fifteen member school districts. Each of these districts, however, is a separate political subdivision and acts as its own taxing and budgeting authority. The Center has no ability to impose its will over the operations of these member districts and there is no financial benefit or financial burden relationship as defined by GASB Statement No. 14. Accordingly, the financial statements of the member districts are not included herein.

Management believes the financial statements included in this report represent all of the funds of the Center over which the Board of Education is financially accountable.

B. Fund Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental Fund Types are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during the period.

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

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital assets or facilities (other than those financed by the general, proprietary and trust funds).

Proprietary Fund Types

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

Enterprise Funds - These funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - These funds account for the financing of services provided by one department or agency to other departments or agencies of the Center on a cost reimbursement basis. The Center had no Internal Service Funds at June 30, 2001.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund types are:

Expendable Trust Funds - These funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Non-expendable Trust Funds - These funds account for trust principal which may not be expended. Only interest earned on the principal may be used for trust operations. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds. The Center had no Non-expendable Trust Funds at June 30, 2001.

Agency Funds - These funds are purely custodial and thus do not involve measurement of results of operations.

Account Groups

Account Groups are financial reporting devices to provide accountability for certain assets and liabilities that are not recorded in the funds (i.e., governmental funds only) because they do not affect expendable available financial resources. The account groups are:

General Fixed Assets Account Group - This account group is used to account for all of the Center's fixed assets other than those accounted for in the Proprietary funds.

General Long-Term Debt Account Group - This account group is used to account for all of the Center's long-term obligations other than those accounted for in the Proprietary Funds.

C. Measurement Focus/Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The Center has elected, under GASB No. 20, to apply Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989 except those that conflict with a GASB pronouncement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting is followed for the Governmental Fund Types, Expendable Trust and Agency Funds.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when become both measurable and available to finance expenditures of the current period). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year.

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

The Center reports deferred revenues of governmental funds on its combined balance sheet when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Center before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocation of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable.

D. Budget and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendments through the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget - Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Estimated Resources - Prior to March 15, 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 June 30, 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 the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final Amended Certificate issued during fiscal year 2001.

Appropriations - Upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenditures of the Center. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds, consistent with statutory provisions.

Encumbrances - As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

Cash received by the Center is pooled in a central bank account with individual fund balance integrity maintained through the Center's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments." During the fiscal year all investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), repurchase agreements and federal agency bonds.

Investments are reported at cost except for investments in STAR Ohio which are reported at fair value. Fair value is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2001.

The Second National Bank Investment (SWEEP) Account is a bank account utilized (by the bank) to account for public monies "swept-into" (transferred) from the General Operating Bank Account and subsequently invested into Repurchase Agreements.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during the fiscal year amounted to $409,003.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with 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.

F. Inventories

Inventories of governmental funds are stated at cost, which approximates market, while inventories of proprietary funds are stated at the lower of cost (first-in, first-out) or market. For all funds, cost is determined on a first-in, first-out basis. Inventories are determined by physical count. Supplies inventory in governmental funds consists of expendable supplies held for consumption. The cost of the governmental fund type inventories are recorded as expenditures when purchased (purchase method) rather than when consumed (consumption method). Reported inventories in these funds are equally offset by a fund balance reserve which indicates they are unavailable for appropriation. Inventories of proprietary funds and inventory held for resale in the governmental fund consist of donated food, purchased food, school supplies, and general supplies, and other items held for resale and are expended when used.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recognized under the nonallocation method. The nonallocation method of prepayments and deferrals is consistent with the basic governmental concept that only expendable financial resources are reported by a specific governmental fund. Payments for the prepaid items or deferrals are fully recognized as an expenditure in the year of payment. Under the nonallocation method no asset for the prepayment or deferral is created, and no expenditure allocation to future accounting periods is required. The Center did not have any prepaid items at June 30, 2001.

H. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at an estimated historical cost as certified by a professional appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received. The Center follows a policy of not including property and equipment with an acquisition cost of less than $500.

The costs of normal maintenance and repairs, that do not add to the value of the asset or materially extend asset lives, are not capitalized. Improvements are capitalized ($500 threshold) and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of 5 to 20 years of the assets.

I. Intergovernmental Revenues

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

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

<u>Entitlements</u>
- <u>General Fund</u>
  - State Foundation Program

- <u>Special Revenue Funds</u>
  - Education Management Information System

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Reimbursable Grants
Special Revenue Funds
Career Development
Teacher Development
Vocational Education - Carl D. Perkins/Displaced Homemakers
Title VI
SchoolNet Professional Development Grant
Adult Basic Education Grant
School-to-Work Grant
Eisenhower Professional Development Grant
Miscellaneous State and Federal Grants

Enterprise Funds
Federal Family Education Loans

Agency Funds
Federal Pell Grant Program

Reimbursable Grants
Capital Projects
Vocational Education Equipment Funds

Enterprise Funds
National School Lunch Program
Government Donated Commodities
Adult Education Reimbursement

Grants and entitlements amounted to approximately 57% of the Center's total revenue during the 2001 fiscal year.

J. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." Short-term interfund loans are classified as "interfund receivables/payables." At June 30, 2001 the Center had $200,222 in interfund receivables/payables and $20,720 in due to/from other funds.

K. Compensated Absences

The Center accounts for compensated absences in accordance with GASB Statement No. 16.

Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. Accruals for those employees who are expected to become eligible in the future are based on assumptions concerning the probability that individual employees or class or group of employees will become eligible to receive termination payments. To calculate the liability, these accumulations should be reduced to the maximum amount allowed as a termination payment. Accruals for those employees who are expected to become eligible in the future should be based on assumptions concerning the probability that individual employees or class or group of employees will become eligible to receive termination payments. This method is known as the vesting method.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1.) The employees' rights to receive compensation are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee; and 2.) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For governmental funds, the Center records a liability for accumulated unused vacation and sick leave when earned. The current portion of these 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 remainder is reported in the general long-term debt account group. In proprietary funds, compensated absences are expensed when earned with the amount reported as a fund liability.

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws.

<u>Sick Leave</u>: Each employee is entitled to fifteen (15) days sick leave with pay each year under contract and accrues sick leave at the rate of one and one-fourth (1 1/4) days for each calendar month under contract. Sick leave may be accumulated to a maximum based upon negotiated agreements. Severance pay is based upon the per diem rate paid the employee at the time of the employee's retirement from the Center. An employee with five (5) or more years of service in the Center who elects to retire from active service shall receive 1/3 of the value of his/her accrued and unused sick leave to a maximum of sixty days (60). In addition, employees with thirteen (13) or more years of service in the Center shall receive an added sum equal to 1/8 of the accrued and unused sick leave in excess of sixty (60) days (1/3 of 180 days).

<u>Vacation Leave</u>: Classified employees earn ten (10) to twenty (20) days of vacation per year, depending upon length of service. Unused vacation shall be cumulative to a maximum of ten (10) days. Each full time administrator who is required to work twelve (12) months per year is entitled, after service of one calendar year, to twenty (20) working days per year of vacation leave.

L. Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. The assets are recorded at their fair market value on the date contributed. The Center currently has no contributed capital.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities for proprietary fund operations are accounted for in those funds.

N. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents (an intergovernmental receivable) set aside to establish a workers' compensation reserve. A fund balance reserve has also been established.

P. Fund Balance Reserves

The Center records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and, therefore, are not available for appropriations. Unreserved fund balance indicates that portion of fund equity which is available for appropriation. Fund equity reserves are established for inventory, encumbrances, workers' compensation and property tax. The reserve for property tax represents the amount of the property taxes available for advance and recognized as revenue. The Center is prohibited by law from appropriating the advance, since it was not received, for the current fiscal year.

Q. Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Memorandum Only - Total Columns

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

2. BUDGETARY BASIS OF ACCOUNTING

While the Center is 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, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis), for all Governmental Fund Types 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 GAAP basis are that:

- Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

- Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

- Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
Governmental Fund Types and Expendable Trust Fund

	Governmental Fund Types				
	General Fund	Special Revenue	Debt Service	Capital Project	Expendable Trust
GAAP Basis	$1,478,126	(87,396)	(3)	(131,709)	$ 522
Increase (Decrease):					
Due to Revenues:					
Net Adjustments to Revenue Accruals	(87,787)	(29,865)	0	0	0
Due to Expenditures:					
Net Adjustments to Expenditure Accruals	(93,868)	(28,041)	0	(5,285)	1
Due to Other (Uses) and Sources:	49,801	(1,597)	0	0	0
Budget Basis	$1,346,272	(146,899)	(3)	(136,994)	$ 523

3. CASH 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 Center has identified as not required for use within the current 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 pass book accounts.

Protection of school district 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.

Monies held by the Center which are not considered active are classified as inactive. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5 No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

3. CASH AND INVESTMENTS (Continued)

6. The State Treasurer's investment pool (STAR Ohio); and

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: At year-end, the carrying amount of the Center's deposits was $2,610,750 and the bank balance was $2,742,094. $157,501 was covered by Federal Depository Insurance Corporation and $2,584,593 was collateralized.

Investments: Investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or securities held by the Center. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterpart's trust department or agent in the Center's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterpart or by its trust department, but not in the Center's name. Investments in STAR Ohio are not categorized as they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Category 3	Reported Amount	Fair Value
Repurchase Agreements (SWEEP)	$ 0	$ 562,187	$ 562,187	$ 562,187
Federal Agency Bonds	563,386		563,386	563,386
STAR Ohio			2,650,691	2,650,691
Total Investments	$563,386	$ 562,187	$3,776,264	$ 3,776,264

3. CASH AND INVESTMENTS (Continued)

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

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	$ 6,387,014	$ 0
Investments:		
Repurchase Agreements (SWEEP)	(562,187)	562,187
Treasury Bonds and Notes	(563,386)	563,386
STAR Ohio	(2,650,691)	2,650,691
GASB Statement No. 3	$ 2,610,750	$ 3,776,264

4. PROPERTY TAXES

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the Center. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20. If paid semi-annually, the first payment is due January 20, with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year.

Tangible personal property used in business (except for public utilities) is currently assessed for taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers may pay annually or semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

4. PROPERTY TAXES (Continued)

The Center receives property taxes from Trumbull County. Tax settlements are made each February and August for real property taxes and each June and October for personal property taxes.

The full tax rate for the fiscal year ended June 30, 2001, was $2.40 per $1,000 of assessed valuation. The assessed values of real and tangible personal property on which the 2001 taxes were collected were as follows:

Real Property - Commercial/Industrial	$ 305,706,150
Real Property - Residential/Agriculture	1,456,445,540
Real Property - Public Utilities	857,650
Personal Property - General	282,205,144
Personal Property - Public Utilities	136,337,270
Total Assessed Value	$ 2,181,551,754

Uncollectible taxes outstanding, available to the Center within 60 days after fiscal year end are recorded as receivables at June 30. The receivable is offset by a credit to deferred revenue since the receivables represent taxes recorded in advance of year for which they are intended to finance.

5. RECEIVABLES

Receivables at June 30, 2001, consisted of taxes, accounts (student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current guarantee of Federal funds.

A summary of the principal items of intergovernmental receivables follows:

General Fund:	
Manufactured Home Tax	$ 177
Total General Fund	177
Special Revenue Funds:	
Adult Basic Education	57,437
Total Special Revenue Funds	57,437
Grand Total	$ 57,614

6. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current 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 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were $181,401, $171,626 and $169,533 respectively; 89.43 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. $19,934 representing the unpaid contribution for fiscal year 2001, including the surcharge, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, 6 percent was used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were $757,956, $754,152 and $783,841, respectively; 88.27 percent has been contributed for fiscal year 2001, and 100 percent for fiscal years 2000 and 1999. $88,879 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

7. POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund, a decrease of 3.5 percent for fiscal year 2001. For the District, this amount equaled $243,629 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was $3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were $283,137,000 and STRS had 99,011 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at $12,400. For the District, the amount to fund health care benefits, including surcharge, during the 2001 fiscal year equaled $134,159.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, (the latest information available), were $140,696,340 and the target level was $211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of $252.3 million. SERS has approximately 50,000 participants receiving health care benefits.

8. INTERFUND TRANSACTIONS

At June 30, 2001, the Center had short-term interfund loans which are classified as "interfund receivables/payables." Receivables and payables resulting from goods provided or services rendered are classified as "due from/to other funds." An analysis of interfund balances is as follows:

Interfund Receivables/Payables:

	Receivables	Payables
General Fund	$ 200,222	$ 0
Special Revenue Funds	0	128,461
Enterprise Funds	0	71,761
	$ 200,222	$ 200,222

Due to/Due from other funds:

	Due From	Due To
General Fund	$ 0	$ 19,995
Special Revenue Funds	0	301
Enterprise Funds	0	424
Agency Funds	20,720	0
	$ 20,720	$ 20,720

Operating Transfers In/Out

	In	Out
General Fund	$ 0	$ 380,860
Special Revenue Funds	37,039	0
Capital Projects Funds	300,000	
Enterprise Funds	35,821	0
Agency Funds	8,000	0
	$ 380,860	$ 380,860

9. GENERAL LONG-TERM DEBT

Energy Conservation Notes: The Energy Conservation Notes outstanding were issued to provide funds for energy conservation measures and the general obligation of the Center, for which the full faith and credit of the Center is pledged for repayment. Accordingly, such unmatured obligations of the Center are accounted for in the general long-term debt obligations account group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from within the 10 mill tax levy.

A. The following is a description of the Center's long-term debt obligations outstanding as of June 30, 2001:

	Interest Rate	Issue Date	Maturity Date	Outstanding July 1, 2000	Retired in 2001	Outstanding June 30,2001
Energy Conservation Note	5.00%	7/15/99	6/15/13	$ 1,418,247	$ 79,773	$ 1,338,474

9. GENERAL LONG-TERM DEBT (Continued)

B. The following is a summary of the Center's future annual debt service requirements to maturity for the general obligation debt:

	Principal	Interest	Total
FY2002	$ 83,811	65,894	$ 149,705
FY2003	88,054	61,651	149,705
FY2004	92,358	57,347	149,705
FY2005	97,188	52,517	149,705
FY2006-2010	564,806	183,720	748,526
FY2011-2013	412,257	36,859	449,116
Total	$1,338,474	457,988	$ 1,796,462

C. A summary of changes in long-term obligations for the year ended June 30, 2001, are as follows:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Intergovernmental Payable	$ 9,071	7,178	9,071	$ 7,178
Energy Conservation Notes	1,418,247	0	79,773	1,338,474
Compensated Absences	875,910	35,900	0	911,810
Total	$ 2,303,228	43,078	88,844	$ 2,257,462

The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the employee is paid. Compensated absences represent severance and vacation liability and will be paid from the fund from which the employee is paid. Additions and deletions of compensated absences are shown net since it is impractical for the Center to determine these amounts separately.

D. 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 Ohio Revised Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the Center. The effects of these debt limitations at June 30, 2001 are a voted debt margin of $196,339,658 and an unvoted debt margin of $2,181,522, due to Energy Conservation Notes not being included in the calculation of the debt limitation margins. The Center complied with the Ohio Revised Code dealing with debt limitation margins.

10. FIXED ASSETS

The following is a summary of the proprietary funds property, plant and equipment at June 30, 2001:

Furniture and Equipment	$ 211,763
Less Accumulated Depreciation	(168,786)
Net Fixed Assets	$ 42,977

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year 2001:

	General Fixed Assets June 30, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
Land and Improvements	$ 474,025	0	0	$ 474,025
Buildings	8,953,558	0	0	8,953,558
Furniture and Equipment	3,151,955	274,748	115,924	3,310,779
Vehicles	81,183	0	0	81,183
Total General Fixed Assets	$ 12,660,721	274,748	115,924	$ 12,819,545

11. CAPITAL LEASES

The Center is making installment payments for an automated register system for the food service program. This equipment has been capitalized in the proprietary fund. This obligation has an outstanding balance of $5,299 at June 30, 2001. Payment for the installment purchase obligations as of June 30, 2001, and related interest:

	Year Ending June 30, 2001
FY 2002	$ 7,490
	$ 7,490
Less Interest:	(2,191)
Present Value of Minimum Lease Payments	$ 5,299

12. RISK MANAGEMENT

A. General Risk:

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

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

The Center maintains replacement cost insurance on buildings and contents in the amount of $23,394,000. The Center maintains fleet insurance in the amount of $2,000,000 for any one accident or loss.

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

The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald and Company provides administrative, cost control and actuarial services to the GRP.

12. RISK MANAGEMENT (Continued)

B. Health Insurance:

The Center provides life insurance and accidental death and dismemberment insurance to its employees. Coverage is $50,000.00 for all certified, classified and administrative staff; the level of coverage for the Superintendent and Treasurer is $100,000 each.

The Center has elected to provide employee medical/surgical benefits through a consortium of school districts known as the Trumbull County Schools Insurance Consortium Association. The Consortium purchases stop loss coverage of $125,000.00 through the General American Life Insurance Company, and the pool covers the excess.

A third party administrator, Medical Mutual, through its agent, Watson, Wyatt Worldwide located in Cleveland, Ohio, reviews and pays claims for the Consortium. The Center pays premiums to the Consortium based upon board policy and the negotiated agreements; the premium is paid by the fund that pays the salary of the employee.

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

13. JOINTLY GOVERNED ORGANIZATIONS

NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK- (NEOMIN) is a jointly governed organization among thirty school districts in Ashtabula and Trumbull Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts support NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County districts, and two treasurers. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A complete set of separate financial statements may be obtained from the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio, 44481.

14. SEGMENTS INFORMATION FOR ENTERPRISE FUNDS

Key financial data for the Center's Enterprise Funds for the year ended June 30, 2001, are as follows:

	Lunchroom Fund	Uniform School Supplies Fund	Customer Services Rotary Fund	Adult Education Fund	Total
Operating Revenues:	$ 147,560	93,116	96,623	1,191,335	$1,528,634
Operating Expenses:					
Depreciation	4,600	0	0	5,384	9,984
Other	222,989	107,646	107,761	1,525,529	1,963,925
Total Operating	227,589	107,646	107,761	1,530,913	1,973,909
Operating Income (Loss)	(80,029)	(14,530)	(11,138)	(339,578)	(445,275)
Non Operating Rev. and					
Operating Grants	43,535	0	0	279,929	323,464
Transfers-In	35,821	0	0	0	35,821
Net Income (Loss)	$ (673)	(14,530)	(11,138)	(59,649)	$ (85,990)
Net Working Capital	$ (28,825)	6,346	146,582	26,340	$ 150,443
Total Assets	$ 41,931	6,401	150,009	142,822	$ 341,163
Retained Earnings	$ 8,446	6,346	146,583	33,047	$ 194,422

15. CONTINGENCIES

A. Grants

The Center received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2001. Center management is not aware of any disallowed claims.

B. Litigation

The Center is not currently party to any legal proceedings.

16. SCHOOL FUNDING DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.

- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 30, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

17. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

For fiscal year 2001, the District has implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. At June 30, 2001 there was no effect on fund balances as a result of implementing GASB 33.

18. STATUTORY RESERVES

The Center is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-Aside Cash Balance, July 1, 2000	$ (27,739)	(1,161,125)	136,702	$ (1,052,162)
Current Year Set-Aside Requirement	237,606	237,606	0	475,212
Current Year Set-Aside for Workers Compensation	0	0	1,739	1,739
Amount Set-Aside in Excess of Required Set-Aside:	0	0	24,778	24,778
Current Year Offsets:				0
$300,000 Transfer form the General (001) Fund to the Permanent Improvement (003) Fund	0	(237,606)	0	(237,606)
BWC Refund remitted prior to 4/10/2001	0	0	(1,739)	(1,739)
Elimination of the Budget Stabilization Reserve	0	0	(161,480)	(161,480)
Qualifying Disbursements	(284,901)	0	0	(284,901)
Total	$ (75,034)	(1,161,125)	0	$ (1,236,159)
June 30, 2001 Cash Balance Carried Forward to FY2001	$ (75,034)	$ (1,161,125)	$ 0	$ (1,236,159)

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 (h), effectively eliminating the requirement for the Center to establish and maintain a budget stabilization reserve. As of June 30, 2001, the School Board has not taken action to designate these funds for a specific use. Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute. All remaining monies previously reported in the budget stabilization reserve are now reported as unreserved and undesignated fund balance in the general fund. The Center is still required by state law to maintain the textbook reserve and capital acquisition reserve.

The Center had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements of future years, but GAAP prohibits showing negative reserves on the Balance Sheet. Therefore, negative amounts are not presented on the Balance Sheet.

18. STATUTORY RESERVES (Continued)

A schedule of the restricted assets at June 30, 2001 follows:

Amount Restricted for BWC Refunds	$49,002
Total Restricted Assets	$49,002

19. FUND DEFICITS

Fund Deficits:
Fund balances and retained earnings June 30, 2001, included the following individual fund deficits:

Special Revenue Funds:

Career Development	$	(5,858)
Adult Full Service	$	(3,000)
Education Management Information	$	(3,477)
Vo-Ed Grants Carl D. Perkins/Displaced Homemaker	$	(77,341)

The Special Revenue Fund deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficits and provides operating transfers when cash is required, not when accruals occur.

Enterprise Fund:

Customer Service - Power Mechanics	$	(3,023)

The Customer Service Fund deficit resulted from an adjustment for Interfund Payables, due to an Advance from the General Fund.

(Note: These funds complied with Ohio State law, which does not permit a cash basis deficit at year end.)

TRUMBULL CAREER AND TECHNICAL CENTER
TRUMBULL COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program		10.550		$2,698		$2,210
National School Lunch Program		10.555	$39,171		$39,171	
Total U.S. Department of Agriculture - Nutrition Cluster			**39,171**	**2,698**	**39,171**	**2,210**
U.S. DEPARTMENT OF LABOR						
Passed Through Ohio Department of Education:						
Ohio Region XII Private Industry Council						
Employment Services and Job Training	STW2001FED-01	17.249	13,020		9,059	
Pilot and Demonstration Programs	VEAWD2001JP09	17.249	525		810	
	HSTW-T700	17.249			4,435	
	STW-T900	17.249	1,000		1,000	
Total U.S. Department of Labor			**14,545**		**15,304**	
U.S. DEPARTMENT OF EDUCATION						
Direct Programs						
Student Financial Aid Cluster:						
Federal Family Education Loan Program	N/A	84.032	9,885		9,885	
Federal Pell Grant Program	N/A	84.063	95,533		95,533	
Total Student Financial Aid Cluster - Direct Programs			**105,418**		**105,418**	
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Adult Education- State Grant Program	AB-S1-00	84.002	18,186		12,957	
	AB-S1-00C	84.002	7,572		7,572	
	AB-S1-01	84.002			56,984	
Total Adult Education - State Grant Program			**25,758**		**77,513**	
Vocational Education-Basic Grants to States						
Single Parent/Displaced Homemaker Grant	SP-00-CG	84.048	1,650		1,000	
Carl D. Perkins VEPD	CPII-S99	84.048			3,359	
(Secondary and Adult Grants)	CPII-S00	84.048	49,653		50,592	
	CPII-A00	84.048	9,520		1,287	
	CPIII-A01	84.048	62,402		63,789	
	CPIII-S01	84.048	403,070		422,872	
Total Vocational-Basic Grants to States			**526,295**		**542,899**	
Eisenhower Professional Development	MS-S1-00	84.281	814		814	
State Grants	MS-S1-01	84.281	2,016		2,016	
Total Eisenhower Professional Development State Grants			**2,830**		**2,830**	
Innovative Educational Program	C2-S1-00	84.298	2,894			
Strategies	C2-S1-01	84.298	4,203		4,203	
Total Innovative Educational Program Strategies			**7,097**		**4,203**	
Total Department of Education			**667,398**		**732,863**	
Totals			**$721,114**	**$2,698**	**$787,338**	**$2,210**

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

TRUMBULL CAREER & TECHNICAL CENTER
TRUMBULL COUNTY
FISCAL YEAR ENDED JUNE 30, 2001

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State Grants. It is assumed federal monies are expended first. At June 30, 2001, the Center had no significant food commodities in inventory.

STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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

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

To the Board of Education:

We have audited the financial statements of Trumbull Career & Technical Center as of and for the year ended June 30, 2001, and have issued our report thereon dated January 10 , 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Trumbull Career & Technical Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Trumbull Career & Technical Center in a separate letter dated January 10, 2002.

Internal Control Over Financial Reporting

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

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

Jim Petro
Auditor of State

January 10, 2002

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STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

Compliance

We have audited the compliance of Trumbull Career & Technical Center with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. Trumbull Career & Technical Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Trumbull Career & Technical Center's management. Our responsibility is to express an opinion on Trumbull Career & Technical Center's compliance based on our audit.

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

In our opinion, Trumbull Career & Technical Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

January 10, 2002

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

TRUMBULL CAREER & TECHNICAL CENTER
TRUMBULL COUNTY
JUNE 30, 2001

1. SUMMARY OF AUDITOR'S RESULTS

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

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

Finding Number	None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. <u>Title of Finding</u>

Finding Number	None
CFDA Title and Number	
Federal Award Number / Year	
Federal Agency	
Pass-Through Agency	

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TRUMBULL CAREER AND TECHNICAL CENTER

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 31, 2002