



# **Workforce Development Partnership**

A Proposal to

The Ohio Department of Development

Local Government Innovation Fund

Round 1

March 1, 2012

## Local Government Innovation Fund Application

### 1. Contact Information

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Richland County

## 2. Collaborative Partner

North Central State College  
Kehoe Center for Advanced Learning  
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Richland County

**Nature of partnership:** Pioneer Career and Technology Center (PCTC) and North Central State College (NCSC) will work together to serve area residents through adult education and area employers with workforce development. PCTC and NCSC will merge their existing operations in these areas in order to remove any duplication of services and create a more seamless system of adult education and workforce development serving Richland and surrounding counties. The new partnership, to be called Workforce Development Partnership, will work with other entities serving area residents and businesses in these areas, including Madison Adult Career Center and Mansfield City Schools Integrated Learning Center.

### **3. Project Information**

**Project Name:** Workforce Development Partnership

**Project Description:**

**Problem Statement:**

The marketplace for workforce development training has become overcrowded with the addition of for-profit providers both online and in person at a time when state and federal funding for training has been reduced. In the past, state and federal funding was routed to career centers and community and technical colleges and then training was provided to workers/businesses. Severe reductions in this funding have reduced the ability of career centers and colleges to effectively provide training. Compounding this problem is the accelerated pace of technology change within the manufacturing and IT sectors. The pace of technological change coupled with the reduction in state and federal funding makes it more difficult for state-supported institutions to maintain cutting edge expertise. This has created market space for for-profit providers to step in and provide focused training often associated with the product they are selling.

**Problem Solution:**

Richland County has three traditionally high powered players in the workforce training area: Madison Career Center, Pioneer Career and Technology Center and North Central State College. These three entities have been increasingly more collaborative and will, for instance be offering a jointly developed for credit course in supervision this spring. (A flyer promoting this opportunity is included in the Supporting Documentation section.) Another example of collaboration focused on economic development is the partnership the three have created in training CNC workers for area manufacturers; in the past 3 years we have jointly and in cooperation with Richland County JFS trained 70 persons for immediate employment. Pioneer and North Central State have embarked on an aggressive program to merge their Workforce Development departments as the Workforce Development Partnerhsip in order to:

- 1) Improve economic development in the region by
  - a) reducing confusing competition between state-supported entities in the marketplace.
  - b) better integrating accessibility of resources (facilities and staff) to better serve area citizens and employers.
- 2) Increase efficient use of tax payer dollars by
  - a) sharing facilities, marketing and human resources
  - b) eliminating duplication and competition.
- 3) Create a single entity for employers to rely upon for delivery and a single entity for them to serve by participating in advisory groups that are actually directing a local/regional unified direction to economic development related to workforce development.

This could be the state's first economic development/workforce entity able to combine the power of the career center concepts and the ability of community colleges to offer college credit as appropriate, extending career pathways for the state's citizens seamlessly and in stackable formats.

Pioneer, on behalf of itself and North Central State College, engaged a consultant, Thomas Applegate, Executive Director of the Ohio Association of Career-Tech Superintendents, to help Pioneer and the College move forward on their idea of merging services. Applegate has held one focus group, is reviewing financial information from the two entities, as well as financials from Madison Career Center, and is developing a recommended structure for merger.

While this is a fluid situation, Pioneer and the College are more strongly committed to integration than Madison, who is committed to collaboration but still weighing the pros and cons of a more complete integration.

### **This Grant:**

Monies from this management project award would be used for the soft costs associated with initially managing the new venture. These costs include setting up a new office, developing branding materials including a website which can integrate economic development and workforce training opportunities and offerings for the region, establishing training development teams and then marketing training developed.

As a way of reducing overall costs and replication of services, North Central State College (NCSC) and Pioneer Career and Technology Center (PCTC) propose merging their workforce development and adult education operations. Under discussion for some time, the creation of this new merged operation would be funded through a \$100,000 Local Government Innovation Fund grant.

The merged entity would serve as a single point of contact for employers seeking to invest in health care, business professional development services and training in manufacturing and trade-based skills for area employers. Through the joint operation, a single office would be responsible for forming two advisory groups – one for trade-based skills and one for professional-based skills, development of training programs to meet expressed and anticipated needs, marketing services and delivery of services. Rather than working competitively to serve North Central Ohio employers and area residents, area training and workforce development providers would work cohesively under the guidance of an experienced director.

In addition, this merged entity of NCSC and PCTC would seek and welcome greater collaboration from Madison Adult Career Center, Mansfield City Schools Integrated Learning Center and Ashland County West Holmes Career Center. Training would be distributed to the various locations based on the programs offered at the training sites and the locations of those seeking professional development and/or training.

The merger will focus on economic development through workforce development and training and will not reconfigure adult education at the career centers. Entities that currently offer various training certifications in specialized areas would continue to offer these industry-recognized credentials. For those desiring it, a system of stackable credentials leading to associate degrees through NCSC would be available, offering area residents opportunities to obtain degrees in their areas of interest. Those who obtain

associate degrees would have opportunities to continue their education and pursue bachelor's degrees through area higher education institutions including Ohio State University and Ashland University. Articulation agreements between NCSC and these institutions are already in place.

Costs involved in the creation of the single entity would involve integration activities; creation of a central office with staff re-alignment/hiring; development of infrastructure including information technology services associated with the various providers, telephone service and website design needed to facilitate economic development by showcasing our one stop design; design of unique logos that encompass and represent the new entity's role and responsibilities; and setting up the policies and governance structure of the organization.

A director would be hired for the organization and would be responsible for marketing through placement of paid print/radio/TV advertising, interviews with various area media outlets, and meeting with employer groups and with key individual human resources personnel; working with the local Ohio Job and Family Services contacts; maintaining contact with training and professional development service providers; implementing directions of the advisory groups and anchor institutions; and advising area service providers on needs expressed by employers and area residents. The director's salary would be paid through the institutions involved in the merger and would not be paid by grant funds.

**Identification of targeted approach to innovation: shared merger**

1. The objectives of the Workforce Development Partnership are:
  - a. Eliminate duplication of efforts
  - b. Simplify access to services for business, industry, associations and individuals (clients)
  - c. Expand opportunities and services for clients, e.g. college credit, new programming, industry based certifications
  - d. Reduce cost of operations
  - e. Greater awareness of programs and services
  - f. Single point of contact for programs and services
  - g. Greater access and efficient use of facilities
2. Objectives include:
  - a. Create a portfolio of products and services
  - b. Long term training- credit/non credit
  - c. Career enhancement-skill upgrading for current employees
  - d. Customized training-designed for a specific organization
  - e. Management and executive training
  - f. Assessment and certification

3. Build a sequence of programming based upon:
  - a. Industry needs
  - b. Staffing
  - c. Facilities
4. Create a business/industry advisory board
  - a. Ensure that the Workforce Development Partnership is an integral part of the region's economic development initiative
  - b. Focus on the most promising business/industry segments
  - c. Identify training and development needs
  - d. Assist in branding and awareness initiatives
5. Create a common marketing fund and marketing plan
6. Create a single registration system
7. Redirect resources for staffing
8. Create a core staff (some positions will be part time and others may be filled as additional or redirected duties of current staff – titles are representative only and may be changed to fit existing contract language and/or current protocol)
  - a. Executive Director Workforce Training and Development
  - b. Account Executive-responsible for sales
  - c. Client Services Coordinator
  - d. Evening Supervisor – handles both sites
  - e. Assessment and Industry Based Certification
  - f. Registration Clerk/Administrative Assistant
12. Create a Strategic Workforce Assistance Team (**SWAT**). The SWAT will consist of existing personnel and is designed to immediately respond to any immediate opportunity or crisis that might arise relating to workforce training and development. Examples of these opportunities or crises might include a business expansion, closure or new business moving into the area. Regardless of the situation, the SWAT would quickly develop a customized assistance plan.

**Return on investment based on ratio of savings:**

Locally, workforce development successes of the past were overly reliant on one industry – automotive. The loss of the GM plant in Ontario, Ohio in 2010 marked the point in time when local workforce efforts went from revenue generating to loss producing. The college responded by eliminating four of its five positions in workforce development. In short, this grant is focused on economic development and shared service more than it is focused on saving money as costs have been slashed.

Narrowing the skills gaps through workforce development is difficult to quantify. But in addition to the projected savings to the state, another way to look at the return on investment of this grant is through the economic development of the region and the opportunities for changed lives it will provide. This partnership will narrow the skills gap of area residents and meet the current unmet needs of area employers through workforce development. During the next three years, the Workforce Development Partnership

projects to train more than 900 area residents in a variety of areas: 50 per year in supervision, 70 per year in CNC machining, 60-100 per year in industrial maintenance, 50 per year in communication skills, 20 per year in project management and 20 per year in drafting and engineering design. And there may be opportunities for training in other areas as the Workforce Development Partnership continues to reach out to area employers to assess their needs in the future.

**Probability of project success:**

The partner institutions proposing this merger see a high probability of success due to their long-established working relationship and the goals they share to improve and enhance service to area residents and employers.

**Replicable or scalable:**

The partner institutions believe this merger is replicable and scalable. Other career centers and community colleges around the state could merge workforce development operations, resulting in a savings to the institutions and to the state; more importantly this model may provide significant economic development by better aligning education and employer needs. The project could be scaled locally by the inclusion of other education adult education providers, including Madison Adult Career Center and Mansfield City Schools. Eventually, it could be scaled regionally through the inclusion of workforce development providers and career centers in adjacent counties.

The project is not part of a larger consolidation effort by NCSC and PCTC.

**Identification of past success on an innovation:**

Area adult education providers have worked collaboratively in the past through the Ohio Skills Bank and as recipients of the U.S. Department of Labor Regional Innovation Grant that funded the training in health care career pathways for more than 1,000 area residents. These three entities have been increasingly more collaborative and will, for instance be offering a jointly developed for credit course in supervision this spring. Another example of our collaboration focused on economic development is the partnership we have created in training CNC workers for area manufacturers; in the past 3 years the partners have jointly and in cooperation with Richland County JFS trained 70 persons for immediate employment.

**How the project is responding to current substantial changes in economic demand for local services**

With the 2010 closing of a General Motors plant in Richland County, the area experienced not only a loss of jobs, but also a trickle-down effect that dampened the county economy. While the county has experienced higher unemployment rates than other areas of the state or nation, area employers have expressed that they do have job openings for people with specific skills. Working with these area employers, the partners and the new Workforce Development Partnership would strive to fill these positions by recruiting and training people for the existing job openings. In addition to this, this new partnership will be positioned to provide more effective incumbent training within the new framework being developed by Governor Kasich.

**Intent to implement performance audit recommendations**

This merger comes as a direct result of market research conducted through a focus group and resulting recommendations from the consultant, Mr. Applegate, involved in the focus group.

**How project facilitates an improved business environment**

The merger will facilitate the area's business environment by making it easier for area businesses to contract for the professional development and workforce training they need to enhance their production capabilities. Instead of sorting through a list of training providers, area employers will be able to set up professional development and workforce training for their employees and prospective employees with a single point of contact. Likewise, area residents looking to gain skills to enhance their employability or prospects for advancement will be able to access training provided through the Workforce Development Partnership.

**Identification of area served:**

While both Pioneer Career & Technology Center and North Central State College are located in Richland County, they serve adult workforce students from a broad area in north central Ohio. The area served by the project will be Richland, Crawford, Huron, Morrow and Ashland counties, which have a total population according to the 2010 Census of 315,851 (124,475 Richland), (43,784 Crawford), (59,626 Huron), (34,827 Morrow), (53,139 Ashland).

#### 4. Financial Information

Following are pages with the most recent certified audits as well as three years of financial history for North Central State College Workforce Development and Pioneer Career and Technology Center Adult Education.

#### Anticipated project costs

The Workforce Development Partnership seeks \$100,000 in grant project management funds. The funds would be used for the soft costs associated with setting up the joint management structure of the Workforce Development Partnership. A three-year projected budget follows.

#### Workforce Development Partnership Project budget

##### Pioneer Career & Technology Center

Projected Costs	Year 1	Year 2	Year 3
Project manager	\$60,000	\$62,000	\$64,000
Benefits	\$10,000	\$10,333	\$10,666
Travel	\$10,000	\$10,000	\$10,000
Consultant	\$12,000		
Marketing	\$30,000	\$30,000	\$30,000
Pioneer staff	\$60,000	\$62,000	\$64,000
Operations	\$10,000	\$10,000.00	\$10,000
NCSC Staff	\$30,000	\$32,000	\$34,000
Total	\$222,000	\$216,333	\$212,666
LGIF Grant	\$100,000		

##### Projected Revenue

	Year1	Year 2	Year 3
Pioneer	\$250,000	\$275,000	\$300,000
NC State	\$100,000	\$150,000	\$200,000
Total	\$350,000	\$425,000	\$500,000
Projected ROI	\$128,000	\$208,667	\$287,334

#### Matching funds available

Pioneer CTC and North Central State College have committed to pay a consultant firm TNA and Associates (Mr. Applegate's firm) \$11,500 plus expenses to assist in the research and design of a joint adult workforce delivery model. With expenses, this consultant fee is estimated at \$12,000. A copy of a signed contract and copy of an initial bill are included in as documentation of this commitment.

In addition, North Central State has expended \$224,137 in salary and benefits related to workforce development in the past two years. A signed, notarized document relating to this in-kind expense is included in the financial documentation section.

**Documentation of in-kind expenses**

As part of the proposal package is a notarized statement from the North Central State College Human Resources Director attesting to the workforce salaries expended in the past two years.

North Central State College  
 Period Ending January 31, 2012

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Corporate Workforce & Community Development Revenues	3,239.00	2,855.00	5,227.00	6,920.00	42.00	188.00
Payroll	2,346.82	7,013.41	11,097.64	7,489.26	7,809.76	7,885.26
Fringes	793.79	2,137.55	3,278.43	2,226.14	2,275.67	2,287.33
Non-Payroll	-	62.25	1,410.36	3,981.25	1,864.14	207.75
	3,140.61	9,213.21	15,786.43	13,696.65	11,949.57	10,380.34
Excess (Deficit)	98.39	(6,358.21)	(10,559.43)	(6,776.65)	(11,907.57)	(10,192.34)

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Corporate Workforce & Community Development Revenues	4,800.00	2,045.00	8,378.00	110.00	329.00	28,364.00
Payroll	#####	18,301.48	17,517.03	32,981.13	18,518.56	23,832.87
Fringes	4,015.22	6,372.96	6,301.76	11,834.52	6,508.56	8,250.12
Non-Payroll	2,651.85	1,192.86	11,392.99	3,492.71	537.91	2,137.22
	#####	25,867.30	35,211.78	48,308.36	25,565.03	34,220.21
Excess (Deficit)	#####	#####	(26,833.78)	(48,198.36)	(25,236.03)	(5,856.21)

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Corporate Workforce & Community Development Revenues	2,100.00	12,956.00	15,592.00	3,755.00	12,238.00	9,778.00
Payroll	9,319.17	24,736.51	25,997.13	47,863.28	22,598.03	28,237.14
Fringes	4,053.86	10,359.68	11,730.62	17,801.78	4,125.67	10,596.91
Non-Payroll	41.61	2,560.97	1,233.87	3,107.01	5,244.98	1,808.81
	#####	37,657.16	38,961.62	68,772.07	31,968.68	40,642.86
Excess (Deficit)	#####	#####	(23,369.62)	(65,017.07)	(19,730.68)	(30,864.86)

Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Current YTD	Beginning Budget	Amended Budget
3,669.10						22,140.10	232,300.00	82,300.00
6,943.76						50,585.91	165,970.00	142,752.00
2,141.87						15,140.78	61,416.00	55,442.00
-						7,525.75	49,050.00	33,561.63
9,085.63	-	-	-	-	-	73,252.44	276,436.00	231,755.63
(5,416.53)	-	-	-	-	-	(51,112.34)	(44,136.00)	(149,455.63)

Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Current YTD	Beginning Budget	Amended Budget
7,383.00	8,076.50	2,073.00	#####	2,435.00	#####	114,785.00	204,000.00	95,276.00
22,567.86	22,643.27	#####	#####	#####	#####	261,184.29	273,774.00	273,774.00
8,013.24	8,098.06	8,280.52	#####	5,966.86	8,559.48	92,931.28	101,255.00	101,255.00
1,878.30	973.02	2,425.51	309.00	484.75	1,057.50	28,533.62	41,925.00	32,050.00
32,459.40	31,714.35	#####	#####	#####	#####	382,649.19	416,954.00	407,079.00
(25,076.40)	(23,637.85)	#####	#####	#####	3,608.81	#####	(212,954.00)	(311,803.00)





North Central State College

February 29, 2012

To Whom It May Concern:

This shall serve as confirmation of the amount budgeted for salary and benefits for the positions of Workforce Director and Corporate Training Consultant in the Workforce department:

Workforce Director (Nancy Kukay)

- FY 10 (7/1/09 – 6/30/10) \$73,606.60
- FY 11 (7/1/10 – 6/30/11) \$75,841.39

Corporate Training Consultant (Kathy Hamilton)

- FY 10 (7/1/09 – 6/30/10) \$36,779.54
- FY 11 (7/1/10 – 6/30/11) \$37,909.47

Doug Hanuscin  
Director, Human Resources

Subscribed and sworn to before me this 29<sup>th</sup> day of February, 2012.



STEPHEN R. WILLIAMS  
NOTARY PUBLIC  
STATE OF OHIO  
Recorded in  
Ashland County  
My Comm. Exp 6/27/13

2441 Kenwood Circle  
PO Box 698  
Mansfield, OH 44901  
419.755.4800  
888.755.4899

-- Options Summary --

Budget Accounts  
Summary or detail report? (S,D) D  
Output file: AE.PDF  
Type: CSV  
Print options page? (Y,N) Y  
Sort options: FS,AP,AC  
Subtotal options: FS,AP  
Split the FYTD Expendable column? (Y,N) Y  
Fiscal YTD or Calendar YTD Actual Expended? (F,C) F  
Exclude accounts with zero amounts? (A,C,N) A  
Include Grand Totals? (Y,N,P) Y  
Include accounts which are no longer active? (Y,N,I) Y  
Include Prior Year Expended Fields? (Y,N) Y  
Number of Prior Years to Include? (3-7) 3  
Include or Exclude: I  
Wildcard: 012 0000

BAT\_EXPWRK executed by PCTC\_RSS on node NCOCC0:: at 8-FEB-2012 14:50:58.72

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number	FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 1410 112 0000 180000 000 00 000	GED	INSTRUCTION							9,616.00	0.00	9,616.00	0.00	0.00		FY11: 308.16 FY10: 3,859.00 FY09: 0.00
012 1440 111 0000 010301 000 00 000	ADULT ED	SALARY - FBPA - COE							16,117.00	0.00	16,117.00	0.00	0.00		FY11: 799.59 FY10: 25,199.20 FY09: 24,747.27
012 1440 111 0000 032300 000 00 000	ADULT ED	SALARY - BUSINESS COOP							60,632.00	0.00	60,632.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 111 0000 032800 000 00 000	ADULT ED	SALARY - OFFICE TECHNOLOGY							26,009.00	0.00	26,009.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 111 0000 070913 000 00 000	ADULT ED	SALARY - MED TRANSCRIPT							44,906.00	0.00	44,906.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 111 0000 140200 000 00 000	ADULT ED	SALARY - COMPUTER TRAINING							9,113.00	0.00	9,113.00	7,444.98	81.70		FY11: 6,723.13 FY10: 3,623.01 FY09: 9,335.00
012 1440 111 0000 171011 000 00 000	ADULT ED	SALARY-DIV MAINT TRAINING							60,000.00	0.00	60,000.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 111 0000 171012 000 00 000	ADULT ED	SALARY - DIT -							46,000.00	0.00	46,000.00	1,910.03	4.15		FY11: 15,902.69 FY10: 24,763.11 FY09: 16,515.42
012 1440 111 0000 172306 000 00 000	ADULT ED	- WELDING INSTRUCTOR							8,791.00	0.00	8,791.00	0.00	0.00		FY11: 17,301.25 FY10: 17,105.52 FY09: 16,746.80
012 1440 112 0000 000000 000 00 000	ADULT EDUCATION	OCCUPATIONAL TEMPORARY							113,672.00	0.00	113,672.00	26,622.17	23.42		FY11: 48,842.75 FY10: 59,749.25 FY09: 47,472.11
012 1440 112 0000 070303 000 00 000	SALARY -	NURSE AIDE							0.00	0.00	0.00	13,784.84	0.00		FY11: 11,090.63 FY10: 9,369.88 FY09: 10,576.77
012 1440 112 0000 070913 000 00 000	ADULT ED	SUBSTITUTE-MEDICAL OFFICE/TR							14,794.00	0.00	14,794.00	0.00	0.00		FY11: 14,221.55 FY10: 7,741.75 FY09: 4,796.00

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 1440 112 0000 172306 000 00 000 ADULT ED - WELDING - SUBSTITUTE INSTRUCTION	0.00	0.00	0.00	7,656.83	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 121 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL SICK LEAV	0.00	0.00	0.00	0.00	0.00		FY11: 504.00 FY10: 928.00 FY09: 4,070.64
012 1440 122 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL PERSONAL	0.00	0.00	0.00	0.00	0.00		FY11: 144.00 FY10: 0.00 FY09: 0.00
012 1440 125 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL PROFESSIO	0.00	0.00	0.00	300.00	0.00		FY11: 0.00 FY10: 193.84 FY09: 468.99
012 1440 132 0000 000000 000 00 000 ADULT EDUCATION SEVERANCE PAY	25,000.00	0.00	25,000.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 142 0000 000000 000 00 000 CLASSIFIED AIDE	0.00	0.00	0.00	124.00	0.00		FY11: 225.00 FY10: 225.00 FY09: 0.00
TOTAL FOR APPROP 012 1400 100 0000:	434650.00	0.00	434650.00	57842.85	13.31	0.00	FY11: 116,062.75 FY10: 152,757.56 FY09: 134,729.00
012 1440 211 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL STRS EMPL	9,371.00	0.00	9,371.00	8,153.10	87.00		FY11: 18,007.50 FY10: 22,982.01 FY09: 20,395.08
012 1440 221 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL SERS EMPL	1.00	0.00	1.00	0.00	0.00		FY11: 1,210.35 FY10: 23.10 FY09: 0.00
012 1440 241 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL MEDICAL/H	170.00	0.00	170.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 242 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL LIFE-CERT	5.00	0.00	5.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 243 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL DENTAL-CE	25.00	0.00	25.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 1440 244 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL VISION-CE	5.00	0.00	5.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 249 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL OTHER INS	22.00	0.00	22.00	830.92	0.00		FY11: 1,848.15 FY10: 2,369.48 FY09: 2,096.38
012 1440 260 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL INSURANCE	8.00	0.00	8.00	0.00	0.00		FY11: 796.97 FY10: 2,556.36 FY09: 910.49
012 1440 281 0000 000000 000 00 000 ADULT EDUCATION ADULT OCCUPATIONAL UNEMPL CO	2.00	0.00	2.00	0.00	0.00		FY11: 0.00 FY10: 33.19 FY09: 9.24
TOTAL FOR APPROP 012 1400 200 0000:	9609.00	0.00	9609.00	8984.02	93.50	0.00	FY11: 21,862.97 FY10: 27,964.14 FY09: 23,411.19
012 1410 431 0000 140200 000 00 000 MILEAGE - COMPUTER	0.00	0.00	0.00	115.44	0.00		FY11: 612.56 FY10: 0.00 FY09: 0.00
012 1410 431 0000 180000 000 00 000 MILEAGE - GED	7.00	0.00	7.00	0.00	0.00		FY11: 6.00 FY10: 20.35 FY09: 0.00
012 1440 410 0000 171012 000 00 000 PROFESSIONAL/TECHNICAL SERVICE-DIT-PATTON	0.00	0.00	0.00	300.00	0.00		FY11: 350.00 FY10: 0.00 FY09: 0.00
012 1440 418 0000 070913 000 00 000 ASSESSMENT	264.00	0.00	264.00	0.00	0.00		FY11: 0.00 FY10: 1,055.04 FY09: 0.00
012 1440 418 0000 172306 000 00 000 PROF/LEGAL SERVICES - WELDING	0.00	0.00	0.00	0.00	0.00		FY11: 4,173.00 FY10: 3,145.00 FY09: 5,005.00
012 1440 419 0000 000000 000 00 000 VLA SLOTS FOR RESALE	0.00	0.00	0.00	0.00	0.00		FY11: 4,410.00 FY10: 2,785.00 FY09: 7,225.00
012 1440 431 0000 000000 000 00 000 ADULT BOE CO-OP MILEAGE - CINDY MARKLEY	372.00	396.09	768.09	356.26	46.38		FY11: 307.41 FY10: 993.70 FY09: 1,110.65

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 1440 431 0000 010301 000 00 000 ADULT ED F.B.P.A. MILEAGE - COE	382.00	0.00	382.00	0.00	0.00		FY11: 215.50 FY10: 2,911.40 FY09: 3,396.29
012 1440 431 0000 032800 000 00 000 MILEAGE -	32.00	0.00	32.00	0.00	0.00		FY11: 201.50 FY10: 192.85 FY09: 215.21
012 1440 431 0000 171012 000 00 000 ADULT ED REGULAR MILEAGE	117.00	2,426.28	2,543.28	172.50	6.78		FY11: 2,066.72 FY10: 2,334.55 FY09: 1,537.87
TOTAL FOR APPROP 012 1400 400 0000:	1174.00	2,822.37	3996.37	944.20	23.63	0.00	FY11: 12,342.69 FY10: 13,437.89 FY09: 18,490.02
012 1410 511 0000 180000 000 00 000 GED EDUC SUPPLIES	0.00	0.00	0.00	0.00	0.00		FY11: 0.00 FY10: 262.19 FY09: 0.00
012 1440 511 0000 010301 000 00 000 FBPA EDUC SUPPLIES	0.00	0.00	0.00	0.00	0.00		FY11: 0.00 FY10: 10.60 FY09: 299.00
012 1440 511 0000 032800 000 00 000 ADMIN/LEGAL OFFICE EDUC SUPPLIES	500.00	0.00	500.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 1440 511 0000 070303 000 00 000 EDUC SUPPLY - NURSE AIDE	300.00	600.00	900.00	400.00	44.44		FY11: 869.92 FY10: 288.90 FY09: 235.21
012 1440 511 0000 070913 000 00 000 MEDICAL OFFICE EDUC SUPPLIES	500.00	0.00	500.00	103.68	20.74		FY11: 151.96 FY10: 438.81 FY09: 326.51
012 1440 511 0000 140200 000 00 000 COMPUTER TECH EDUC SUPPLIES	0.00	0.00	0.00	0.00	0.00		FY11: 0.00 FY10: 146.82 FY09: 130.89
012 1440 511 0000 171012 000 00 000 DIV INDUS TRNG EDUC SUPPLIES	500.00	0.00	500.00	0.00	0.00		FY11: 740.39 FY10: 49.44 FY09: 0.00
012 1440 511 0000 172306 000 00 000 WELDING EDUC SUPPLIES	9,000.00	0.00	9,000.00	341.69	3.80		FY11: 4,790.59 FY10: 7,853.66 FY09: 8,084.81



Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ	OU	IL JOB	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 2120 125 0000 0000000	000	00 000	0.00	0.00	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 390.04
ADULT EDUCATION GUIDANCE PROFESSIONAL LEAVE-									
TOTAL FOR APPROP 012 2100 100 0000:			34708.00	0.00	34708.00	23127.73	66.64	0.00	FY11: 38,743.28 FY10: 36,894.66 FY09: 40,219.52
012 2120 211 0000 0000000	000	00 000	272.00	0.00	272.00	3,207.19	0.00		FY11: 5,424.18 FY10: 5,165.36 FY09: 5,375.37
ADULT EDUCATION GUIDANCE STRS EMPLOYER'S SHA									
012 2120 241 0000 0000000	000	00 000	422.00	0.00	422.00	9,249.03	0.00		FY11: 14,377.21 FY10: 11,332.32 FY09: 8,484.51
ADULT EDUCATION GUIDANCE MEDICAL/HOSP-CERT									
012 2120 242 0000 0000000	000	00 000	5.00	0.00	5.00	182.00	0.00		FY11: 267.80 FY10: 244.00 FY09: 242.40
ADULT EDUCATION GUIDANCE LIFE-CERT									
012 2120 243 0000 0000000	000	00 000	42.00	0.00	42.00	594.72	0.00		FY11: 970.35 FY10: 957.74 FY09: 717.75
ADULT EDUCATION GUIDANCE DENTAL-CERT									
012 2120 244 0000 0000000	000	00 000	5.00	0.00	5.00	123.36	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
ADULT EDUCATION GUIDANCE VISION-CERT									
012 2120 249 0000 0000000	000	00 000	6.00	0.00	6.00	326.63	0.00		FY11: 559.30 FY10: 532.71 FY09: 581.05
ADULT EDUCATION GUIDANCE OTHER INSURANCE BEN									
012 2120 260 0000 0000000	000	00 000	2.00	0.00	2.00	0.00	0.00		FY11: 178.88 FY10: 574.96 FY09: 154.65
workers com									
TOTAL FOR APPROP 012 2100 200 0000:			754.00	0.00	754.00	13682.93	0.00	0.00	FY11: 21,777.72 FY10: 18,807.09 FY09: 15,555.73
012 2120 410 0000 0000000	000	00 000	0.00	0.00	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 15.00
ADULT ED PROF/TECH - TRANSITIONS - MARKLEY									

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
TOTAL FOR APPROP 012 2100 400 0000:	0.00	0.00	0.00	0.00	0.00	0.00	FY11: 0.00 FY10: 0.00 FY09: 15.00
012 2120 511 0000 000000 000 00 000 CAREER TRANSITIONS EDUC SUPPLIES - MARKLEY	300.00	0.00	300.00	40.49	13.50		FY11: 327.80 FY10: 273.69 FY09: 293.56
TOTAL FOR APPROP 012 2100 500 0000:	300.00	0.00	300.00	40.49	13.50	0.00	FY11: 327.80 FY10: 273.69 FY09: 293.56
012 2211 111 0000 000000 000 00 000 ADULT EDUCATION WAGES ASST DIRECTOR	2.00-	0.00	2.00-	43,048.66	0.00		FY11: 50,314.07 FY10: 8,094.90 FY09: 5,750.76
012 2211 121 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIRECT	0.00	0.00	0.00	4,153.03	0.00		FY11: 2,687.24 FY10: 1,502.33 FY09: 0.00
012 2211 122 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIRECT	0.00	0.00	0.00	444.17	0.00		FY11: 710.68 FY10: 360.37 FY09: 0.00
012 2211 123 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIRECT	0.00	0.00	0.00	1,332.51	0.00		FY11: 4,619.42 FY10: 0.00 FY09: 0.00
012 2211 124 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIRECT	0.00	0.00	0.00	1,785.76	0.00		FY11: 4,008.40 FY10: 0.00 FY09: 0.00
012 2211 125 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIRECT	0.00	0.00	0.00	1,421.36	0.00		FY11: 2,842.72 FY10: 0.00 FY09: 0.00
012 2211 141 0000 000000 000 00 000 AE SECRETARY - COOPER/WEAVER	3,523.00	0.00	3,523.00	37,848.81	0.00		FY11: 71,015.83 FY10: 68,757.98 FY09: 7,960.57
012 2211 142 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIREC	0.00	0.00	0.00	560.34	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 2211 151 0000 000000 000 00 000 ADULT EDUCATION IMPR INSTR STF SERVICE DIREC	8.00	0.00	8.00	4,580.75	0.00		FY11: 2,025.60 FY10: 3,245.62 FY09: 2,386.39



Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Page: 9  
 (BUDWRK)

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 2211 221 0000 000000 000 00 000 ADULT ED CLASSIFIED - SERS EMPLOYERS PORTION	31.00	0.00	31.00	6,754.61	0.00	FY11: FY10: FY09:	11,455.67 11,119.48 11,557.33
012 2211 241 0000 000000 000 00 000 HEALTH INSURANCE	0.00	0.00	0.00	7,927.74	0.00	FY11: FY10: FY09:	10,499.88 898.62 0.00
012 2211 242 0000 000000 000 00 000 LIFE INSURANCE	0.00	0.00	0.00	900.90	0.00	FY11: FY10: FY09:	1,220.30 0.00 0.00
012 2211 243 0000 000000 000 00 000 DENTAL INSURANCE	0.00	0.00	0.00	594.72	0.00	FY11: FY10: FY09:	769.12 0.00 0.00
012 2211 244 0000 000000 000 00 000 VISION INS	0.00	0.00	0.00	123.36	0.00	FY11: FY10: FY09:	0.00 0.00 0.00
012 2211 249 0000 000000 000 00 000 FICA/MEDICARE	0.00	0.00	0.00	67.75	0.00	FY11: FY10: FY09:	0.00 0.00 0.00
012 2211 251 0000 000000 000 00 000 HEALTH INSURANCE	44.00	0.00	44.00	8,802.36	0.00	FY11: FY10: FY09:	14,335.34 11,437.50 8,611.44
012 2211 252 0000 000000 000 00 000 LIFE INSURANCE	2.00	0.00	2.00	273.00	0.00	FY11: FY10: FY09:	408.79 402.60 399.96
012 2211 253 0000 000000 000 00 000 DENTAL INSURANCE	14.00	0.00	14.00	1,189.44	0.00	FY11: FY10: FY09:	1,940.70 1,915.48 1,435.50
012 2211 254 0000 000000 000 00 000 VISION INSURANCE	2.00	0.00	2.00	110.72	0.00	FY11: FY10: FY09:	0.00 0.00 0.00
012 2211 259 0000 000000 000 00 000 FICA/MEDICARE	2.00	0.00	2.00	687.01	0.00	FY11: FY10: FY09:	1,179.41 1,131.43 1,135.97
012 2211 260 0000 000000 000 00 000 WORKERS COMP	2.00	0.00	2.00	0.00	0.00	FY11: FY10: FY09:	445.92 1,290.93 303.67

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Page: 10  
 (BUDWRK)

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 2219 211 0000 000000 000 00 000 BUSINESS PARTNERSHIP COORD.-STRS	56.00	0.00	56.00	1,425.53	0.00		FY11: 2,609.07 FY10: 2,708.58 FY09: 2,314.60
012 2219 241 0000 000000 000 00 000 ADULT EDUCATION OTHER IMPROV-INSTRUCT STAFF	71.00	0.00	71.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 2219 242 0000 000000 000 00 000 ADULT EDUCATION OTHER IMPROV-INSTRUCT STAFF	2.00	0.00	2.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 2219 243 0000 000000 000 00 000 ADULT EDUCATION OTHER IMPROV-INSTRUCT STAFF	7.00	0.00	7.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 2219 244 0000 000000 000 00 000 ADULT EDUCATION OTHER IMPROV-INSTRUCT STAFF	2.00	0.00	2.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 2219 249 0000 000000 000 00 000 ADULT EDUCATION OTHER IMPROV-INSTRUCT STAFF	6.00	0.00	6.00	147.64	0.00		FY11: 294.39 FY10: 314.23 FY09: 239.70
012 2219 260 0000 000000 000 00 000 WORKERS COMP	2.00	0.00	2.00	0.00	0.00		FY11: 79.47 FY10: 428.13 FY09: 225.32
TOTAL FOR APPROP 012 2200 200 0000:	243.00	0.00	243.00	42781.71	0.00	0.00	FY11: 65,440.04 FY10: 32,916.19 FY09: 26,223.49
012 2211 410 0000 000000 000 00 000 ADULT EDUCATION - PROFESSIONAL/TECHNICAL SER	2,058.00	3,619.00	5,677.00	2,740.00	48.26		FY11: 23,405.40 FY10: 11,483.25 FY09: 100.00
012 2211 431 0000 000000 000 00 000 ADULT EDUCATION - MILEAGE - CUSTOM TRAINING	0.00	893.98	893.98	652.05	72.94		FY11: 416.67 FY10: 36.30 FY09: 0.00
012 2211 432 0000 000000 000 00 000 PROFESSIONAL DEVELOPMENT-ASST DIRECTOR	223.00	0.00	223.00	650.00	291.48		FY11: 3,393.99 FY10: 2,269.05 FY09: 3,651.90
012 2211 441 0000 000000 000 00 000 ADULT EDUCATION - TELEPHONE	1.00	1,468.19	1,469.19	762.02	51.87		FY11: 1,147.99 FY10: 2,526.19 FY09: 2,351.06

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
012 2211 443 0000 0000000 000 00 000 ADULT EDUCATION - POSTAGE	0.00	0.00	0.00	773.61	0.00		FY11: 894.88 FY10: 1,068.38 FY09: 1,285.26
012 2211 446 0000 0000000 000 00 000 ADULT ED ADVERTISING	0.00	5,710.00	5,710.00	2,026.11	35.48		FY11: 8,888.11 FY10: 13,874.74 FY09: 807.34
012 2219 410 0000 0000000 000 00 000 PROF/TECH SUPPORT - BUSINESS PARTNERSHIP	0.00	200.00	200.00	2.25	1.13		FY11: 549.00 FY10: 0.00 FY09: 0.00
012 2219 431 0000 0000000 000 00 000 BUSINESS PARTNERSHIP MILEAGE-ELDRIDGE	705.00	1,205.70	1,910.70	226.47	11.85		FY11: 403.30 FY10: 1,088.25 FY09: 280.26
TOTAL FOR APPROP 012 2200 400 0000:	2987.00	13,096.87	16083.87	7832.51	48.70	0.00	FY11: 39,099.34 FY10: 32,346.16 FY09: 8,475.82
012 2211 512 0000 0000000 000 00 000 ADULT ED OCCUPATIONAL - INSTRUCTIONAL SUPPLI	0.00	0.00	0.00	24.97	0.00		FY11: 529.00 FY10: 285.25 FY09: 71.07
012 2219 511 0000 0000000 000 00 000 C.O.S.T.EDUC SUPPLIES - HUGHES	300.00	0.00	300.00	10.43	3.48		FY11: 87.56 FY10: 55.90 FY09: 117.14
012 2219 551 0000 0000000 000 00 000 RESALE BOOKS/SUPPLIES-ELDRIDGE	63.00	0.00	63.00	0.00	0.00		FY11: 1,373.14 FY10: 5,934.16 FY09: 3,220.58
TOTAL FOR APPROP 012 2200 500 0000:	363.00	0.00	363.00	35.40	9.75	0.00	FY11: 1,989.70 FY10: 6,275.31 FY09: 3,408.79
012 2211 640 0000 0000000 000 00 000 ADULT EDUCATION - EQUIPMENT	6,117.00	0.00	6,117.00	0.00	0.00		FY11: 1,035.77 FY10: 20,793.12 FY09: 0.00
012 2219 640 0000 0000000 000 00 000 MOBILE LAB EQUIPMENT	450.00	500.00	950.00	150.00	15.79		FY11: 600.00 FY10: 300.00 FY09: 750.00

Date: 02/08/12  
 Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
 Expense Budget Work Sheet  
 SORTED BY FUND-SCC/APPROP/ACCT

Account Number FUND FUNC OBJ SCC SUBJ OU IL JOB Description	FYTD Appropriated	Prior FY Carryover Encumbrances	FYTD Expendable	FYTD Actual Expended	FYTD Percent Expended	Next Year Proposed	Prior Year Actual Expended
TOTAL FOR APPROP 012 2200 600 0000:	6567.00	500.00	7067.00	150.00	2.12	0.00	FY11: 1,635.77 FY10: 21,093.12 FY09: 750.00
012 2211 890 0000 000000 000 00 000 AE MISC - OFFICE	600.00	0.00	600.00	37.97	6.33		FY11: 226.54 FY10: 170.06 FY09: 36.48
TOTAL FOR APPROP 012 2200 800 0000:	600.00	0.00	600.00	37.97	6.33	0.00	FY11: 226.54 FY10: 170.06 FY09: 36.48
012 7200 910 0000 000000 000 00 000 ADULT EDUCATION TRANSFER Transfers and Conti	0.00	0.00	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 767.50
TOTAL FOR APPROP 012 7200 900 0000:	0.00	0.00	0.00	0.00	0.00	0.00	FY11: 0.00 FY10: 0.00 FY09: 767.50
TOTAL FOR FUND-SCC 012 0000: Excluding Transfers/Advances	508439.00	19,891.18	528330.18	289847.28	54.86	0.00	FY11: 522,997.67 FY10: 493,530.43 FY09: 357,686.66
Including Transfers/Advances	508439.00	19,891.18	528330.18	289847.28	54.86	0.00	FY11: 522,997.67 FY10: 493,530.43 FY09: 358,454.16
GRAND TOTALS: Excluding Transfers/Advances	508439.00	19,891.18	528330.18	289847.28	54.86	0.00	FY11: 522,997.67 FY10: 493,530.43 FY09: 357,686.66
Including Transfers/Advances	508439.00	19,891.18	528330.18	289847.28	54.86	0.00	FY11: 522,997.67 FY10: 493,530.43 FY09: 358,454.16

Date: 02/08/12  
Time: 2:50 pm

PIONEER CAREER & TECHNOLOGY  
Expense Budget Work Sheet  
SORTED BY FUND-SCC/APPROP/ACCT

Account Number														
FUND	FUNC	OBJ	SCC	SUBJ	OU	IL	JOB	FYTD	Prior FY	FYTD	FYTD	FYTD	Next	Prior Year
Description								Appropriated	Carryover	Expendable	Actual	Percent	Year	Actual
									Encumbrances		Expended	Expended	Proposed	Expended

Originator's signature \_\_\_\_\_

Date submitted \_\_\_\_\_

Principal's signature \_\_\_\_\_

Date reviewed \_\_\_\_\_

Central Admin. signature \_\_\_\_\_

Date approved \_\_\_\_\_

-- Options Summary --

Revenue Accounts  
Summary or detail report? (S,D) D  
Output file: AE\_REV.PDF  
Type: CSV  
Print options page? (Y,N) Y  
Sort options: FS,AC  
Subtotal options: FS  
Fiscal YTD or Calendar YTD Actual Receipts? (F,C) F  
Exclude accounts with zero amounts? (A,C,N) N  
Include Grand Totals? (Y,N,P) Y  
Include accounts which are no longer active? (Y,N,I) Y  
Include Prior Year Received Fields? (Y,N) Y  
Number of Prior Years to Include? (3-7) 3  
Include or Exclude: I  
Wildcard: 012 0000

BAT\_EXPWRK executed by PCTC\_RSS on node NCOCC0:: at 8-FEB-2012 15:03:08.01

Date: 02/08/12  
 Time: 3:03 pm

PIONEER CAREER & TECHNOLOGY  
 Receipt Budget Work Sheet  
 SORTED BY FUND-SCC/ACCT

Page: 1  
 (REVWRK)

Account Number FND RCPT SCC SUBJ OU Description	FYTD Receivable	FYTD Actual Receipts	FYTD Percent Received	Next Year Proposed	Prior Year Actual Received
012 1216 0000 000000 000 ADULT ED TUITION-SPECIAL INTEREST	0.00	398.00	0.00		FY11: 999.70 FY10: 2,352.00 FY09: 977.50
012 1217 0000 000000 000 ADULT ED TUITION-VIRTUAL LEARNING	0.00	349.00	0.00		FY11: 10,145.00 FY10: 9,123.00 FY09: 14,030.00
012 1219 0000 000000 000 ADULT ED TUITION	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 550.00
012 1219 0000 010301 000 ADULT ED TUITION - F.B.P.A.	0.00	0.00	0.00		FY11: 600.00 FY10: 10,000.00 FY09: 10,700.00
012 1219 0000 032800 000 ADULT ED TUITION - OFFICE TECHNOLOGY	0.00	17,373.75	0.00		FY11: 10,407.00 FY10: 82,608.26 FY09: 33,719.63
012 1219 0000 070303 000 NURSE AIDE	0.00	19,090.00	0.00		FY11: 35,742.00 FY10: 36,793.12 FY09: 31,960.00
012 1219 0000 070912 000 TUITION - PHARMACY TECH	0.00	23,426.37	0.00		FY11: 150.00 FY10: 0.00 FY09: 0.00
012 1219 0000 070913 000 ADULT ED TUITION - MEDICAL TRANSCRIPTION	0.00	28,072.51	0.00		FY11: 75,223.95 FY10: 87,978.54 FY09: 58,804.65
012 1219 0000 091410 000 ADULT ED TUITION - TRANSITIONS - MARKLEY	0.00	0.00	0.00		FY11: 14,583.00 FY10: 2,801.75 FY09: 10,808.76
012 1219 0000 140200 000 ADULT ED TUITION - COMPUTER TRAINING	0.00	7,724.06	0.00		FY11: 17,683.96 FY10: 3,149.90 FY09: 7,557.45
012 1219 0000 171012 000 TUITION - DIT - PATTON	0.00	21,447.48	0.00		FY11: 68,476.25 FY10: 62,784.03 FY09: 33,409.85
012 1219 0000 172306 000 ADULT ED TUITION - WELDING	0.00	15,576.75	0.00		FY11: 59,060.22 FY10: 50,299.14 FY09: 69,171.72

PIONEER CAREER & TECHNOLOGY  
 Receipt Budget Work Sheet  
 SORTED BY FUND-SCC/ACCT

Account Number FND RCPT SCC SUBJ OU Description	FYTD Receivable	FYTD Actual Receipts	FYTD Percent Received	Next Year Proposed	Prior Year Actual Received
012 1219 0000 180000 000 GED TUITION	0.00	0.00	0.00		FY11: 908.97 FY10: 22,187.61 FY09: 0.00
012 1630 0000 000000 000 FEES - MOUS TESTING	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 75.36
012 1890 0000 000000 000 ADULT ED MISC. RECEIPTS	0.00	483.00	0.00		FY11: 4,668.22 FY10: 1,317.67 FY09: 3,589.78
012 3110 0000 000000 000 ADULT EDUCATION STATE VOCATIONAL EDUC	0.00	187,835.77	0.00		FY11: 162,936.87 FY10: 194,031.49 FY09: 174,325.58
012 5100 0000 000000 000 ADULT EDUCATION TRANSFERS-IN	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 5210 0000 000000 000 ADULT EDUCATION ADVANCE-INITIAL	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
012 5300 0000 000000 000 REFUND OF PRIOR YEAR EXPENDITURE	0.00	0.00	0.00		FY11: 0.00 FY10: 0.00 FY09: 0.00
TOTAL FOR FUND-SCC 012 0000: Excluding Transfers/Advances	0.00	321,776.69	0.00	0.00	FY11: 461,585.14 FY10: 565,426.51 FY09: 449,680.28
Including Transfers/Advances	0.00	321,776.69	0.00	0.00	FY11: 461,585.14 FY10: 565,426.51 FY09: 449,680.28
GRAND TOTALS: Excluding Transfers/Advances	0.00	321,776.69	0.00	0.00	FY11: 461,585.14 FY10: 565,426.51 FY09: 449,680.28
Including Transfers/Advances	0.00	321,776.69	0.00	0.00	FY11: 461,585.14 FY10: 565,426.51 FY09: 449,680.28

Date: 02/08/12  
Time: 3:03 pm

PIONEER CAREER & TECHNOLOGY  
Receipt Budget Work Sheet  
SORTED BY FUND-SCC/ACCT

Account Number						
FND RCPT SCC	SUBJ	OU	FYTD	FYTD	Next	Prior Year
Description			Receivable	Actual Receipts	Year Proposed	Actual Received

Originator's signature \_\_\_\_\_

Date submitted \_\_\_\_\_

Principal's signature \_\_\_\_\_

Date reviewed \_\_\_\_\_

Central Admin. signature \_\_\_\_\_

Date approved \_\_\_\_\_



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments  
[www.bhscpas.com](http://www.bhscpas.com)

North Central State College

Richland County, Ohio

Single Audit

For the Year Ended June 30, 2011  
Fiscal Year Audited Under GAGAS: 2011

**North Central State College**  
*Table of Contents*  
*For the Fiscal Year Ended June 30, 2011*

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<u>Title</u>	<u>Page</u>
Independent Accountants' Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets.....	8
Statement of Revenues, Expenses, and Changes in Net Assets .....	9
Statement of Cash Flows .....	10
Notes to the Basic Financial Statements.....	11
Schedule of Federal Awards Expenditures.....	31
Notes to the Schedule of Federal Awards Expenditures.....	32
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	33
Independent Accountants' Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	35
Schedule of Findings OMB Circular A-133 Section .505 .....	37



# Balestra, Harr & Scherer, CPAs, Inc.

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## Independent Accountants' Report

North Central State College  
Board of Trustees  
2441 Kenwood Circle  
Mansfield, Ohio 44901

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of North Central State College, Richland County, Ohio (the College), as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audit.

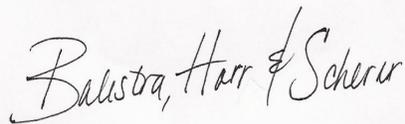
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit, of North Central State College, Richland County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows thereof 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 November 18, 2011, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the College's basic financial statements taken as a whole. The schedule of federal awards expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule of federal awards expenditures is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Balestra, Harr & Scherer, CPAs, Inc.  
November 18, 2011

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

---

The Management's Discussion and Analysis (MD&A) of the financial condition of North Central State College (hereafter referred to as the College) provides an overview of the financial performance for the year ended June 30, 2011. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

**Financial Highlights**

The Statement of Net Assets includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when earned and expenses and liabilities are recognized when an obligation has been incurred, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. State appropriations are classified as non-operating revenues. The College generated an operating loss. For fiscal year 2011, the College had an operating income increase in net assets of \$832,182 after including net non-operating revenue. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

An important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they become due. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related, non-capital and related, and investing financing activities.

The government-wide financial statements include not only the College itself (known as the primary institution), but also one organization for which the College is financially accountable, which is the North Central State College Foundation. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

**The Statement of Net Assets**

Condensed Financial Information		
Statement of Net Assets		
	2011	2010
Assets		
Current Assets	\$6,513,950	\$6,932,673
Non-current Assets	20,025,886	18,709,429
Total Assets	26,539,836	25,642,102
Liabilities		
Current Liabilities	4,321,055	4,297,003
Non-current Liabilities	682,825	641,325
Total Liabilities	5,003,880	4,938,328
Net Assets		
Invested in Capital Assets, Net of Related Debt	19,233,979	17,841,648
Unrestricted	2,301,977	2,862,126
Total Net Assets	\$21,535,956	\$20,703,774

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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**Assets**

As of June 30, 2011, the College's total assets amounted to \$26,539,836. Capital assets, net of related depreciation totaled \$19,233,979, represented the College's largest asset, totaling 72 percent of total assets. Student accounts receivable of \$3,361,338 or 13 percent, were the College's second largest asset. Unrestricted cash and cash equivalents totaling \$2,523,315 or 10 percent of total assets represented the next largest asset. Unrestricted cash and cash equivalents decreased \$527,904 from the prior year. This decrease resulted primarily from the expenditure of cash for the purchase of capital assets.

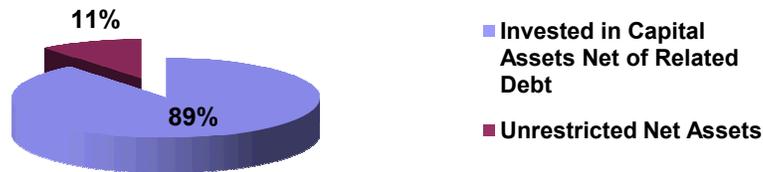
**Liabilities**

At June 30, 2011, the College's liabilities totaled \$5,003,880, comprised of current liabilities of \$4,321,055 and non-current liabilities totaling \$682,825. Deferred revenue represented \$2,861,485 or 57 percent of total liabilities. Total liabilities increased during the year ended June 30, 2011 by \$65,552. This increase is mainly attributable to increased accounts payable, accrued liabilities and deferred income.

**Net Assets**

Unrestricted net assets at June 30, 2011 totaled \$2,301,977 or 11 percent of total net assets. Net assets invested in capital assets, net of related debt totaled \$19,233,979 or 89 percent of total net assets. Total net assets increased by \$832,182 during the year ended June 30, 2011.

**Net Assets**



**The Statement of Revenues, Expenses, and Changes in Net Assets**

**Condensed Financial Information**  
**Statement of Revenues, Expenses, and Changes in Net Assets**

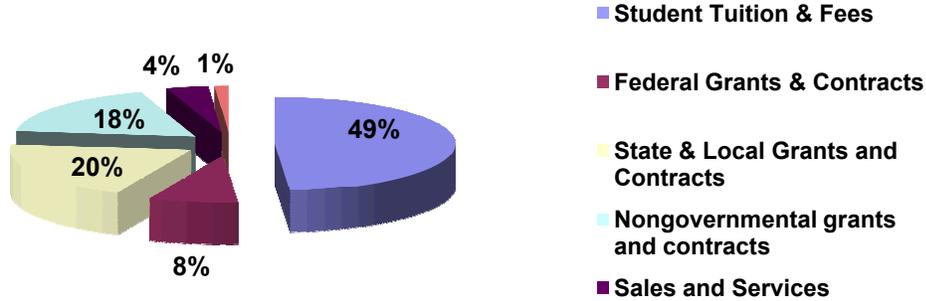
	2011	2010
Total Operating Revenues	\$13,593,968	\$10,870,604
Total Operating Expenses	27,845,663	25,838,573
Operating Loss	(14,251,695)	(14,967,969)
Non-Operating Revenues (Expenses)	15,083,877	14,342,279
Increase (Decrease) in Net Assets	832,181	(625,690)
Net Assets, Beginning of Year	20,703,774	21,329,464
Net Assets, End of Year	21,535,956	20,703,774

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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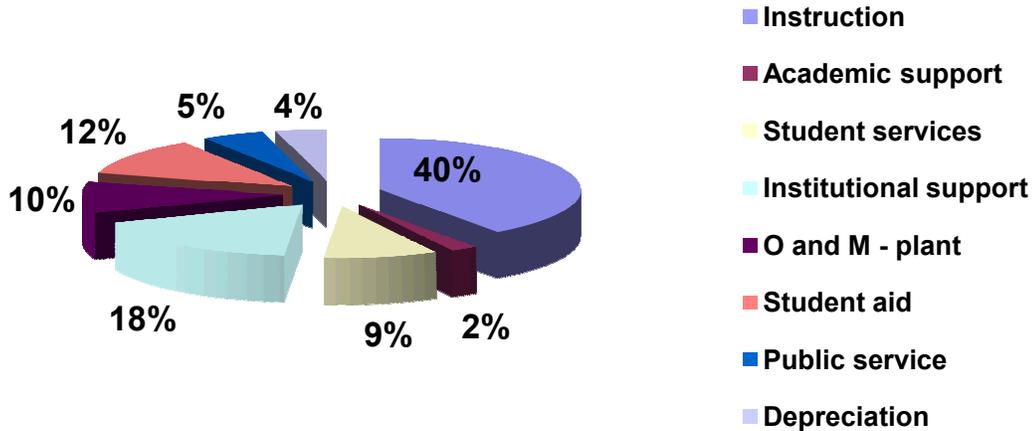
**Operating Revenues**

Total operating revenues were \$13,593,968 for the year ended June 30, 2011. The most significant sources of operating revenue for the College are net student tuition and fees, 49 percent, federal grants and contracts, 8 percent, nongovernmental grants and contracts, 18 percent, and state and local grants and contracts, 20 percent. It is important to note that tuition and fees appear net of scholarship allowances of \$4,430,033. Total operating revenues increased by \$2,723,364 due mainly to the increase in state and local grants and contracts and non-governmental grants and contracts throughout the year.



**Non-operating Revenues**

The other significant recurring sources of revenue essential to the operation of the College are state appropriations and some federal grants and contracts, which are considered non-operating revenue. The College's state appropriation for the fiscal year ended June 30, 2011, amounted to \$7,749,343. This represents a decrease of \$163,822 from the College's appropriation for the prior year.



**Operating Expenses**

Operating expenses totaled \$27,845,663. The majority of the College's operating funds are expended directly for the primary mission of the College instruction, 40 percent, academic support, 2 percent, and institutional support, 18 percent. For the year ended June 30, 2011, student aid totaled \$3,325,941 or 12 percent. Operating expenses increased \$2,007,090 over the prior year due to additional grants received by the College as well as increased salary and benefit costs.

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

---

**The Statement of Cash Flows**

The primary purpose of the statement of cash flows is to provide information about the cash receipts and cash payments made by the College during the period. The statement of cash flows also helps financial statement readers assess:

- the College's ability to generate future net cash flows,
- the College's ability to meet obligations as they become due, and
- the College's need for external financing.

Major sources of cash inflows included in operating activities are grants and contracts \$6,380,544 and student tuition and fees \$6,303,514. The largest cash outflows for operating activities were to employees, for wages and benefits, \$17,433,820, for student aid, \$3,355,941, for utilities and maintenance, \$1,868,193 and to suppliers, \$2,015,996.

The largest cash receipts in the non-capital financing activities group are the non-operating appropriation from the State of Ohio, \$7,749,343 and the non operating federal grants and contract.

**Capital Assets**

Capital assets, net of accumulated depreciation, totaled \$19,233,979 at June 30, 2011, a net increase of \$1,390,925 from the prior year-end. Additions to capital assets during the year totaled \$2,517,158 and disposals totaled \$0. Depreciation expense for the year ended June 30, 2011 amounted to \$1,126,233. More detailed information about the College's capital assets is presented in note 5 to the financial statements.

**Debt**

As of June 30, 2011, the College had no debt outstanding for the Child Development Center facility. This represents a decrease of \$1,406 from the previous year total of \$1,406 due to principal payments. The College utilized private donations and bookstore commissions to fulfill debt obligations. More detailed information about the College's long-term liabilities is presented in notes 9 and 10 to the financial statements.

**Factors Impacting Future Periods**

The College currently receives over \$7.7 million or approximately 27% of the total revenues from state appropriations. The State of Ohio's continued economic downturn, financial conditions and shortfall of tax revenues continue to be the most significant issues impacting the College and our ability to provide adequate services. North Central State College continues to support the state's commitment to higher education as a vehicle to address the eroding economic standards, increasing unemployment and the vision of increased access to higher education for every Ohio citizen who wishes to pursue it. This support is reflected in the initiatives set forth in the College's strategic plan and its annual budget development processes.

While the College has continued to experience increases in enrollment over the past year, current projections indicate this trend is likely to come to an end. A commitment to maintain tuition rates at the lowest levels possible is founded on the idea that increased state subsidy will continue to offset the services needed to support new students. It is a primary goal of North Central State College to be innovative in ways to improve access to quality higher education and workforce and community training for the communities we serve. However, the possibility of reduced state subsidy support continues to be foremost in the minds of College leadership. Additionally, the College is faced with a conversion of the current quarter-based academic calendar to a semester-based alternative effective Fall term of 2012. This conversion will put additional financial and operational stress on the institution.

**North Central State College**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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**Final Analysis**

North Central State College remains committed to support and work on the 10 year strategic plan outlined for the University System of Ohio while maintaining its leadership in the community, remaining competitive in the market and focusing on providing a quality education for our students.

The College is focused on providing high quality and affordable education and to be the key provider and catalyst for a highly skilled workforce for regional employers. This focus includes providing access to higher education through early college programs, offering affordable transfer opportunities to four year institutions and taking advantage of innovative technology for the delivery of education.

The development of our regional workforce is also important to the strategy of the College. This strategy relies on a continued emphasis on regional partnerships and collaborations with other educational institutions and industries. As the College leads this initiative, it's imperative to work with these partners to leverage strengths to better meet the demands of the communities we serve. North Central State College is poised for success.

**Contacting the College's Financial Management**

This financial report is designed to provide the Ohio Board of Regents, our citizens, taxpayers, investors, and creditors with a general overview of the College's finances and show the College's accountability for the money it received. If you have questions about this report or need additional financial information, contact **Koffi C. Akakpo, Vice President for Business and Administrative Services at 419-755-4702.**

**North Central State College**  
*Statement of Net Assets*  
*As of June 30, 2011*

ASSETS	Primary Institution	Component Unit
Current Assets		
Cash & Cash Equivalents	\$ 2,523,315	\$ 685,674
Investments	-	2,790,054
Student Accounts Receivable, Net	3,361,338	-
Intergovernmental Receivables	629,297	-
Prepaid expenses & deferred charges	-	40,851
Contributions Receivable	-	1,481,880
Interest in Assets held by Richland Co Foundation	-	250,000
Total Current Assets	<u>6,513,950</u>	<u>5,248,459</u>
Noncurrent Assets		
Restricted Cash & Cash Equivalents	1,556	-
Other Receivables	790,351	-
Capital Assets, net	19,233,979	13,366
Total Noncurrent Assets	<u>20,025,886</u>	<u>13,366</u>
Total Assets	<u>\$ 26,539,836</u>	<u>\$ 5,261,825</u>
LIABILITIES		
Current Liabilities		
Accounts Payable & Accrued Liabilities	\$ 356,405	\$ 147,308
Deferred Income	2,861,485	106,115
Accrued Wages	1,103,165	-
Total Current Liabilities	<u>4,321,055</u>	<u>253,423</u>
Noncurrent Liabilities		
Long-Term Liabilities	682,825	262,902
Total Noncurrent Liabilities	<u>682,825</u>	<u>262,902</u>
Total Liabilities	<u>5,003,880</u>	<u>516,325</u>
NET ASSETS		
Investment in Capital Assets, Net of Related Debt	19,233,979	-
Restricted for		
Nonexpendedable		
Scholarships	-	2,576,972
Expendable		
Student Grants and Scholarships	-	1,708,546
Unrestricted	2,301,977	459,982
Total Net Assets	<u>21,535,956</u>	<u>4,745,500</u>
Total Liabilities & Net Assets	<u>\$ 26,539,836</u>	<u>\$ 5,261,825</u>

See accompanying notes to the basic financial statements.

**North Central State College**  
*Statement of Revenues, Expenses, and Changes in Net Assets*  
For the Fiscal Year Ended June 30, 2011

REVENUES	Primary Institution	Component Unit
Operating Revenues:		
Tuition, Fees and Other Student Charges	\$ 6,614,950	\$ -
Federal Grants and Contracts	1,226,204	-
State and Local Grants and Contracts	2,742,793	-
Nongovernmental Grants and Contract	2,339,606	-
Sales and Services	508,205	-
Contributions	-	2,412,900
Fundraising	-	227,976
Other Operating Revenue	162,210	-
Total Operating Revenues	13,593,968	2,640,876
 EXPENSES		
Operating Expenses		
Educational and General:		
Instruction	11,160,098	-
Academic Support	607,085	131,798
Student Services	2,562,205	-
Institutional Support	4,922,474	-
Operation and Maintenance of Plant	2,749,345	-
Student Aid and Scholarships	3,325,941	419,620
Public Service	1,392,282	-
Depreciation	1,126,233	-
Other Expenditures	-	1,491,276
Total Operating Expenses	27,845,663	2,042,694
Operating Income (Loss)	(14,251,695)	598,182
 NONOPERATING REVENUES (EXPENSES)		
State Appropriations	7,749,343	-
Federal Grants & Contracts	7,331,995	-
Investment Income, Net	2,517	315,434
Interest on Capital Asset-Related Debt	22	-
Net Nonoperating Revenues (Expenses)	15,083,877	315,434
Increase (Decrease) in net assets	832,182	913,616
 NET ASSETS		
Net Assets, Beginning of Year	20,703,774	3,831,884
Net Assets, End of Year	\$ 21,535,956	\$ 4,745,500

See accompanying notes to the basic financial statements.

**North Central State College**  
*Statement of Cash Flows*  
For the Fiscal Year Ended June 30, 2011

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	Primary Institution
<i>Cash Flows from Operating Activities:</i>	
Tuition and Fees	\$ 6,303,514
Grants and contracts	6,380,544
Payments to suppliers	(2,015,996)
Payments to employees and for benefits	(17,433,820)
Payments for utilities and maintenance	(1,868,193)
Payments for Student Aid	(3,355,941)
Sales and service of educational activities	508,205
Other receipts (payments)	<u>(1,614,976)</u>
Net cash used by operating activities	<u>(13,096,663)</u>
 <i>Cash Flows from Non-Capital and Related Financing Activities:</i>	
FFEL Loans Received	6,457,845
FFEL Loans Disbursed	(6,457,845)
Federal Grants & Contracts	7,331,995
State appropriations	<u>7,749,343</u>
Net Cash provided by non-capital and related financing activities	<u>15,081,338</u>
 <i>Cash Flows from Capital and Related Financing Activities:</i>	
Purchase of capital assets	(2,517,159)
Interest paid on capital debt	22
Principal paid on capital debt	<u>(1,407)</u>
Net cash used by capital and related financing activities	<u>(2,518,544)</u>
 <i>Cash Flows from Investing Activities:</i>	
Interest on investments	<u>2,517</u>
Net cash provided by investing activities	<u>2,517</u>
 Net increase in cash and cash equivalents	 (531,352)
 Cash and Cash Equivalents, Beginning of Year	 <u>3,056,223</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 2,524,871</u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Operating Loss	\$ (14,251,695)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,126,233
Change in Assets and Liabilities:	
Receivables, Net	(51,938)
Prepaid Expenses	13,778
Payables	162,445
Accrued Wages	(20,450)
Deferred Revenue	(116,536)
Compensated absences	41,500
Net cash used by operating activities	<u>\$ (13,096,663)</u>

See accompanying notes to the basic financial statements.

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 1 - DESCRIPTION OF THE ENTITY**

North Central Ohio Technical Institute (the “College”) was chartered in 1969 under provisions of Section 3357 of the Ohio Revised Code. This action of the Ohio Board of Regents and the Secretary of State created the Technical College District in the contiguous counties of Ashland, Crawford, and Richland. In August of 1999, the Board of Trustees changed the name of the College to North Central State College. The College is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The College offers associate degree programs and certificate programs that prepare individuals to be technicians and paraprofessionals in business technologies, engineering technologies, health technologies, and public service technologies. The College also offers noncredit continuing education classes and customized contract-training services to companies and employees in the service area. The College is directed by a Board of Trustees, the members of which are public representatives of Ashland, Crawford and Richland Counties.

GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14 was implemented by the College, further clarifies that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. The College has determined that the North Central State College Foundation (the “Foundation”) meets this definition and is therefore included as a discretely presented component unit in the College’s financial statements. The Foundation’s financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the FASB. See Note 14 for additional disclosures regarding the Foundation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the College does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

The more significant of the College’s accounting policies are described below:

- A. **Basis of Presentation** – The College applies GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*; GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*; GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statement presentation required by GASB Statements No. 34/35 is intended to provide a comprehensive, entity-wide perspective of the College’s assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows.
- B. **Basis of Accounting** - The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The College reports as a “business type activity” as defined by GASB Statement No. 34. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The full scope of the College’s activities is considered to be a single business type activity and accordingly, is reported within a single column in the basic financial statements.

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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

- C. Budgetary Process - The budget is an annual plan for the financial operations of the College that establishes a basis of control and evaluation of activities financed through the current funds of the College. Formal adoption of the budget into the accounting records is not legally mandated and, thus, the College does not integrate the budget into its accounts.
- D. Cash and Investments - For purposes of presentation on the Statement of Net Assets and the Statement of Cash Flows, investments with maturities of three months or less at the time they are purchased are considered to be cash equivalents. During fiscal year 2011, investments were limited to STAR Ohio. These investments are reported as cash equivalents on the Statement of Net Assets. Investments are reported at fair value which is based on quoted market prices.
- E. Accounts Receivable - Receivables at June 30, 2011, consist primarily of student tuition and fees, and grants due from other agencies. Student tuition and fees are reported net using the direct write-off method.
- F. Capital Assets - Donated land, buildings, improvements, and equipment are capitalized at estimated fair market value on the date of the gift. The College capitalizes assets other than land and building improvements that have a value or cost in excess of \$2,500 and an expected useful life of one or more years. Land and building improvements that significantly increase the value or useful life of the asset of more than \$12,500 and \$25,000, respectively, are also capitalized. 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 which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost. Infrastructure assets, consisting of sidewalks, parking lots, lighting systems and signage, are capitalized and reported. Capital assets, with the exception of land, are depreciated using the straight-line method and full-month convention over the following useful lives:

Land Improvements	20-30 years
Buildings	40 years
Building Improvements	7-30 years
Equipment	5-20 years
Vehicles	5-10 years
Infrastructure	25 years

- G. Noncurrent Long-Term Liabilities - Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year.
- H. Deferred Income - Deferred income is principally comprised of receipts relating to tuition and fees received in advance of the sessions that are primarily or fully conducted in the next accounting period. The College recognizes this revenue in the fiscal year that the sessions are predominately conducted.
- I. Compensated Absences - GASB Statement No. 16, *Accounting for Compensated Absences*, specifies that vacation leave and other compensated absences with similar characteristics should be 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.
  2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee. Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The College has accrued a liability for these compensated absences using the termination method when the following criteria are met:

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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

*I. Compensated Absences (Continued)*

1. The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").
2. The sick leave liability has been based on the College's past experience of making termination payments for sick leave.

*J. Operating and Non-Operating Revenues and Expenses*

The College presents its revenues and expenses as operating or non-operating based on recognition definitions per GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trusts Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating activities are those activities that are necessary and essential to the mission of the College. Operating revenues include all charges to customers, grants received for student financial assistance, and interest earned on loans. Grants received for student financial assistance are considered operating revenues because they provide resources for student charges and such programs are necessary and essential to the mission of the College. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the College, as well as investment income, are considered non-operating since these are investing, capital, or noncapital financial activities. Revenues received for capital financing activities, as well as related expenses, are considered neither operating nor non-operating activities and are presented after non-operating activities on the accompanying Statement of Revenues, Expenses and Changes in Net Assets. The College had no revenues for capital financing activities for the fiscal year ended June 30, 2011.

*K. Scholarship Allowances*

Student tuition and fees revenue is reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses and Changes in Net Assets.

The scholarship allowance represents the difference between actual charges for goods and services provided by the College and the amount that is paid by the student or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as operating revenues in the Statement of Revenues, Expenses and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance discount.

*L. Net Assets*

The College's net assets are classified as follows:

*Invested in Capital Assets, Net of Related Debt* – This is comprised of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvements of those assets.

*Unrestricted* – Net assets whose use by the College is not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

*M. Income Taxes* – Income taxes have not been provided on the general operations of the College because, as a state institution, its income is exempt from Federal income taxes under Section 115 of the Internal Revenue Code.

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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

N. *Use of 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 disclosure in the footnotes. Actual results could differ from those estimates.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

A. *Policies and Practices* - It is the responsibility of the Business and Finance Department to deposit and invest the College's idle funds. The College's practice is to limit investments to United States Treasury notes and bills, collateralized certificates of deposit and repurchase agreements, insured and/or collateralized demand deposit accounts or obligations of other United States agencies for which the principal and interest is guaranteed by the United States Government. The College does not enter into reverse repurchase agreements. The investment and deposit of College monies is governed by the Ohio Revised Code. Investment of the College's monies is restricted to certificates of deposit, savings accounts, money market accounts and the State Treasurer's Investment Pool (STAR Ohio), obligations of the United States Government or certain agencies thereof and certain industrial revenue bonds issued by other governmental entities.

The College may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days. Public depositories must give security for all public funds on deposit. These institutions may specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. State law does not require security for the public deposits and investments to be maintained in the College's name.

B. *Cash on Hand* - At June 30, 2011, the College had \$1,800 in un-deposited cash on hand which is reported as part of cash and cash equivalents on the Statement of Net Assets.

C. *Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The College's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2011, the College's bank balance of \$761,309 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described above.

D. *Investments* - The State Treasurer's Investment Pool (STAR Ohio) is authorized as an investment under both the College's policy and the Ohio Revised Code.

As of June 30, 2011, the primary government had the following investment (based on quoted market prices) and maturity (in years):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>Percent of</u> <u>Portfolio</u>
STAR Ohio	\$2,515,686	\$2,515,686	100%

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's policy is to invest in allowable investments per the Ohio Revised Code. The Ohio Revised Code limits the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the College. The College's investment policy also allows the entering into a repurchase agreement with any eligible depository for a period not exceeding thirty days.

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

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**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

*Credit risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Ohio Revised Code limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations at the time of purchase. Standard & Poor's has assigned STAR Ohio a rating of AAAm.

*Concentration of credit risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have an investment policy that provides for diversification to avoid concentration in securities of one type or securities of one financial institution. 100% has been invested in STAR Ohio.

*Custodial credit risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College is not exposed to custodial credit risk for its investments.

**NOTE 4 - RECEIVABLES**

Receivables as of June 30, 2011 are summarized as follows:

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable	Deferred Income
Student Accounts	\$3,536,767	\$175,429	\$3,361,338	\$2,816,485
Intergovernmental	629,297	0	629,297	0
Grants	0	0	0	45,000
Other	790,351	0	790,351	0
Total Receivables	<u>4,956,415</u>	<u>\$175,429</u>	<u>\$4,780,986</u>	<u>\$2,861,485</u>

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

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**NOTE 5 - CAPITAL ASSETS**

**Capital assets as of June 30, 2011 are summarized as follows:**

Cost	Balance 07/01/2010	Additions	Deletions	Balance 06/30/2011
<u>Non-Depreciable Assets</u>				
Land	\$225,629	\$0	\$0	\$225,629
Construction in Progress	1,136,350	2,469,314	(2,397,452)	1,208,212
Total Non-Depreciable Assets	1,361,979	2,469,314	(2,397,452)	1,433,841
<u>Depreciable Assets</u>				
Land Improvements	724,984	1,471,559	0	2,196,543
Buildings	14,809,029	0	0	14,809,029
Building Improvements	6,663,902	0	0	6,663,902
Infrastructure	208,655	0	0	208,655
Leasehold Improvements	2,606,218	0	0	2,606,218
Vehicles	115,580	0	0	115,580
Equipment	4,341,653	973,737	0	5,315,390
Total Depreciable Capital Assets	29,470,021	2,445,296	0	31,915,317
<u>Accumulated Depreciation</u>				
Land Improvements	(552,629)	(62,487)	0	(615,116)
Buildings	(5,831,249)	(361,377)	0	(6,192,626)
Building Improvements	(1,114,220)	(280,527)	0	(1,394,747)
Infrastructure	(95,989)	(8,346)	0	(104,335)
Leasehold Improvements	(1,330,747)	(110,847)	0	(1,441,594)
Vehicles	(77,629)	(10,453)	0	(88,082)
Equipment	(3,986,483)	(292,196)	0	(4,278,679)
Total Accumulated Depreciation	(12,988,946)	(1,126,233)	0	(14,115,179)
Capital Assets, Net	\$17,843,054	\$3,788,377	(\$2,397,452)	\$19,233,979

**NOTE 6 - STATE SUPPORT**

The College is a state-assisted institution of higher education that receives ARRA funds and a student-based subsidy from the State of Ohio. The subsidy is determined annually based upon a formula devised by the Ohio Board of Regents, adjusted to state resources available.

In addition to the student subsidies, the State of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of special obligation bonds by the Ohio Public Facilities Commission, which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Upon completion of the facility, the Board of Regents turns over control to the College which capitalizes the cost thereof. Neither the obligation for the special obligation bonds issued by the Ohio Public Facilities Commission nor the annual debt service charges for principal and interest on the bonds are reflected in the financial statements of the College.

These are currently being funded through appropriations to the Ohio Board of Regents by the Ohio General Assembly. Construction in progress for any portion of the facilities being financed by the state agencies for use by the College is recorded on the College's books of account as costs are incurred.

The facilities are not pledged as collateral for the special obligation bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the State.

Outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's Statement of Net Assets. In addition, the appropriations by the Ohio General Assembly to the Board of Regents for payment of debt services are not shown as appropriation revenue received by the College and the related debt service payments are not recorded in the accounts of the College.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS**

All employees of the College are eligible to participate in one of two cost-sharing, multiple employer defined benefit pension plans. Academic personnel participate in the State Teachers Retirement System and nonacademic personnel participate in the School Employees Retirement System. As further discussed in this note, there is also an alternative retirement plan available.

*A. State Teachers Retirement System*

State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

**Plan Options** - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

**DB Plan Benefits** – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**DC Plan Benefits** – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Combined Plan Benefits** – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. For the fiscal years ended June 30, 2011, 2010, and 2009, plan members were required to contribute 10 percent of their annual covered salaries. The College was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS Ohio, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

The College's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$917,372, \$862,670, \$765,699, respectively; equal to the required contributions for each fiscal year.

STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

*B. School Employees Retirement System*

The College contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website, [www.ohsers.org](http://www.ohsers.org), under *Employers / Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute at an actuarially determined rate. The current College rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amounts, by the SERS Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2011, the allocation to pension and death benefits is 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. For fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The College's required contributions for pension obligations to SERS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$472,040, \$488,083, and \$377,532, respectively; equal to the required contributions for each fiscal year.

*C. Alternative Retirement Plan*

Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement system for academic and administrative college employees of public institutions of higher education, who are currently covered by the School Employees Retirement System or State Teachers Retirement System. The College Board of Trustees adopted such plan effective March 24, 1999. This plan is a defined contribution plan under IRS section 401(a).

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Eligible employees (those who are full-time and salaried) have 120 days from their date of hire to make an irrevocable election to participate in the alternate retirement plan. Under this plan, employees who would have otherwise been required to be in SERS or STRS and who elect to participate in the alternate retirement program must contribute the employee's share of retirement contributions (10% SERS, 10% STRS) to one of eight private providers approved by the State Department of Insurance. The legislation mandates that the employer must contribute 3.5% to the Retirement System to which the employee would have otherwise belonged. The College also contributes what would be the employer's share of the appropriate retirement system, less the aforementioned 3.5%, to the private provider selected by the employee. The College plan provides these employees with immediate plan vesting. The total employer contributions to the alternative retirement plan for the years ended June 30, 2011, 2010, and 2009 were \$280,756, \$238,143 and \$207,147 respectively.

**NOTE 8 - POSTEMPLOYMENT BENEFITS**

The College provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). 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.

*A. State Teachers Retirement System*

STRS Ohio administers a pension plan that is comprised of; a defined benefit plan; a self-directed defined contribution plan and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. The 14 percent employer contribution rate is the maximum rate established under Ohio law. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2011, 2010, and 2009. For the College, these amounts were \$65,527, \$61,619, and \$56,723 for fiscal years 2011, 2010, and 2009 respectively, which equaled the required allocation for each year.

*B. School Employees Retirement System*

In addition to a cost-sharing multiple employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

**Medicare Part B Plan**

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

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**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2011, 2010, and 2009, the actuarially required allocations were 0.76 percent, 0.76 percent, and 0.75 percent, respectively. For the College, contributions for the years ended June 30, 2011, 2010, and 2009, were \$30,377, \$29,025, and \$28,775 respectively, which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, medicare advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2011, 2010, and 2009, the health care allocation was 1.43 percent, .46 percent, and 4.16 percent, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. For the College, the amounts assigned to fund health care benefits, including the surcharge, during the 2011, 2010, and 2009 fiscal years equaled \$114,514, \$75,274, and \$215,523 respectively, which equaled the required allocation for each year.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS website at [www.ohsers.org](http://www.ohsers.org) under *Forms and Publications*.

**NOTE 9 - LONG-TERM LIABILITIES**

Changes in long-term liabilities are as follows:

	Balance			Balance	Current
	July 1, 2010	Additions	Reductions	June 30, 2011	Portion
Compensated Absences	\$641,325	\$41,500	\$0	\$682,825	\$0
Bond Payable	1,406	0	(1,406)	0	0
Total Long-Term	<u>\$642,731</u>	<u>\$41,500</u>	<u>(\$1,406)</u>	<u>\$682,825</u>	<u>\$0</u>

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

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**NOTE 10 - BONDS PAYABLE**

Refunding revenue bonds, Series 1995; principal and interest payable in annual installments; bearing interest at 7.0 percent; final payment scheduled June 1, 2010. The original amount of the bond issue was \$575,000. Due to an adjustment in the payment schedule, the final payment amount did not reflect the entire outstanding principal resulting in a remaining balance to be satisfied during the 2011 fiscal year.

The College had pledged future revenues, net of specified operating expenses, to repay \$575,000 in refunding revenue bonds issued in 1995. Proceeds from the bonds provided financing for certain capital asset improvements for the College. The bonds are payable solely from College net revenues and were payable through 2010. The total principal and interest has been paid as of the end of fiscal year 2011.

**NOTE 11 - OPERATING EXPENSES BY FUNCTION AND NATURAL CLASS**

	Payroll and Benefits	Supplies and Other Services	Utilities and Maintenance	Student Aid and Scholarship	Depreciation Expense	Other Expense	Totals
Instruction	\$9,886,225	\$930,432	\$0	\$0	\$0	\$343,441	\$11,160,098
Academic support	366,592	13,778	181,199	0	0	45,516	607,085
Student services	2,020,775	125,860	47,396	30,000	0	338,174	2,562,205
Institutional support	3,057,171	641,755	203,401	0	0	1,020,147	4,922,474
Operation & maintenance of plant	871,671	250,193	1,612,419	0	0	15,062	2,749,345
Student aid	0	0	0	3,325,941	0	0	3,325,941
Public service	1,252,436	53,978	0	0	0	85,868	1,392,282
Depreciation	0	0	0	0	1,126,233	0	1,126,233
Total operating expenses	<u>\$17,454,870</u>	<u>\$2,015,996</u>	<u>\$2,044,415</u>	<u>\$3,355,941</u>	<u>\$1,126,233</u>	<u>\$1,848,208</u>	<u>\$27,845,663</u>

**NOTE 12 - CONTINGENCIES**

A. Federal and State Grants

The College participates in certain state and federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of the College, no material grant disbursements will be disallowed.

B. Litigation

The College is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the College's counsel that resolutions of these matters will not have a material adverse effect on the financial condition of the College.

**NOTE 13 - RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft; damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the College has addressed these various types of risk. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years. There has not been a significant reduction of coverage from the prior fiscal year.

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION**

**DESCRIPTION OF THE FOUNDATION**

North Central State College Foundation, Inc. (the Foundation) financial statements have been prepared on an accrual basis of accounting. The Foundation is a not-for-profit organization established in accordance with Section 501(c) (3) of the Internal Revenue Code. The Foundation operates under a Board of Trustees who is appointed, not to be less than twelve, but not to exceed forty members. The Foundation is organized primarily to engage in activities and programs to provide support and services to the North Central State College (the College).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Contributions*

The Foundation reports contributions in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. SFAS No. 116 requires that unconditional promises to give, with payments due in future periods, be recorded as receivables and support in either unrestricted, temporarily restricted, or permanently restricted net assets as appropriate in the period received at their net present value. The accumulated discount of net present value of the pledge is accounted for as contribution income of the related class of net assets. Conditional promises to give are not recorded as support until the condition upon which they depend has been substantially met by the Foundation.

*Financial Statement Presentation*

SFAS No. 117, *Financial Statements of Not-For-Profit Organizations*, requires that the amounts for each of three classes of net assets: unrestricted, temporarily restricted and permanently restricted, be presented in an aggregated statement of financial position and that the amounts of changes in each of those classes of net assets be presented in a statement of activities. This statement requires that resources be classified into three net asset categories according to donor-imposed restrictions. A description of each of the categories is as follows:

**Unrestricted Net Assets**

Assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in temporarily or permanently restricted net assets.

**Temporarily Restricted Net Assets**

Assets which include gifts and pledges receivable for which donor-imposed restrictions have not been met and for which the ultimate purpose of the proceeds are not permanently restricted.

**Permanently Restricted Assets**

Assets that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. The income from these assets is included in the investment income of unrestricted and restricted funds, as appropriate, in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets.

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Revenues, Expenses, and Changes in Net Assets as net assets released from restrictions.

With the exceptions of the necessary presentation adjustments to conform to the College's GASB reporting format, no modifications have been made to the Foundation's financial information in the College's financial report.

*Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION**  
(Continued)

*Investments*

The Foundation reports investments in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Investments in marketable securities with readily determined fair values and all investments in debt securities are reported at their fair values in the Statement of Net Assets. Unrealized gains and losses are included in the change in net assets. Investments of the unrestricted, temporarily restricted, and permanently restricted funds are pooled for making investment transactions and are carried at market value. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to unrestricted, temporarily restricted, and permanently restricted funds.

*Donated Service and Facilities*

The Foundation has no employees or property (other than cash and investments). Substantially all clerical and management duties are presently performed by business office personnel who are employees of North Central State College, utilizing equipment and facilities of North Central State College.

For accounting purposes, the value of facilities is considered immaterial and it has not been recognized in the financial statements. However, the value of the services provided by College personnel have been recognized in the Statement of Revenues, Expenses, and Changes in Net Assets as personnel reimbursement expenses as required by SFAS 116.

*Contributions Receivable*

Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. Conditional promises are recorded when donor stipulations are substantially met. The Foundation requires an initial minimum balance of \$10,000 to establish a scholarship fund.

*Prepaid Expenses*

Certain payments to vendors for fundraising activities reflect costs applicable to future accounting periods and are recorded as prepaid items.

*Capital Assets*

Capital assets acquired by the Foundation consist of office equipment. All expenditures for capital assets in excess of \$1,000 are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets not to exceed ten years.

*Deferred Revenue*

Deferred revenue results from various fundraising activities. It represents amounts received from sponsors, vendors, and sales of admission tickets in advance. Deferred revenue is recognized as revenue in the period that the fundraising activity actually occurs.

*Estimates*

The preparation of the 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 related notes. Actual results may differ from those estimates.

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION**  
(Continued)

**INVESTMENTS**

The various investments in fixed income securities, mutual funds and other investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities could occur in the near term and those changes could materially affect the amounts reported in the financial statements.

At June 30, 2011, investments consisted of the following:

	Market/ Carrying Value	Maturity			
		Less than One Year	1-2 Years	3-5 Years	6-7 Years
International Treasuries	\$194,984	\$44,287	\$54,746	\$54,951	\$41,001
Money Market	191,669	191,669	0	0	0
Money Market Investments –					
U.S. Government Obligations	107,663	27,429	30,819	28,941	20,474
Mutual Funds - Fixed Income Corporations	945,995	140,580	309,916	361,764	133,735
Mutual Funds - Equity Securities	1,326,010	1,326,010			
Alternative Investments – SPDR Gold Trust	23,733	23,732			
<b>Total</b>	<b>\$2,790,054</b>	<b>\$1,753,707</b>	<b>\$395,481</b>	<b>\$445,656</b>	<b>\$195,210</b>

The Foundation determines the fair market values of its financial instruments based on the fair value hierarchy established in SFAS No. 157, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Foundation's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Standard describes three levels within its hierarchy that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**North Central State College**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION**  
(Continued)

The fair value of investments held by the Foundation at June 30, 2011 is summarized as follows:

Investment Type	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observ- able Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
International Treasuries	\$194,984	\$ 0	\$ 0
Money Market	191,669		
Money Market Investments – U.S. Government Obligations	107,663		
Mutual Funds - Fixed Income Corporations	945,995	0	0
Mutual Funds - Equity Securities	1,326,010	0	0
Alternative Investments – SPDR Gold Trust	23,733		
<b>Total</b>	<b>\$2,790,054</b>	<b>\$0</b>	<b>\$0</b>

**CONTRIBUTIONS RECEIVABLE**

Unconditional promises to give are included in the financial statements as contributions receivable and contributions of the appropriate net asset category. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount rate on those amounts is computed using a risk free interest rate applicable to the years in which the promises are to be received. The discount rate used for the year ended June 30, 2011 was 3.25%. The amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until conditions of those promises have been met.

Contributions receivable consisted of the following at June 30, 2011:

Unconditional promises to give before unamortized discount and allowance for uncollectible contributions:

Unrestricted	\$909,597
Temporarily restricted	573,762
Permanently restricted	315,951
Gross unconditional promises to give	<u>1,799,310</u>
Less: Unamortized discount	(137,799)
Less: Allowance for uncollectible contributions	<u>(179,631)</u>
Amounts due:	
Less than one year	<u>\$1,481,880</u>

**TEMPORARILY RESTRICTED NET ASSETS**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors.

Scholarships for Students	\$115,905
Grants	25,721
Total Released Net Assets	<u>\$141,626</u>

Temporarily and permanently restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Temporarily restricted net assets are available for providing scholarships to the College's students, providing professional development funds to the College staff and purchasing equipment for the

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 14 - COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION**  
(Continued)

benefit of the College. Permanently restricted net assets are restricted to investment in perpetuity and the income from which is expendable for scholarships to the College's students.

The different types of temporarily restricted net assets are classified as follows:

<b><u>Scholarships for Students:</u></b>	
ADA Ford Educational Aid	\$4,631
Ambassador Scholarship	6,400
Alumni Scholarship	2,954
Brown Scholarship	1,683
Cardwell/Near Scholarship	1,955
Cobey Scholarship	4,588
Carter Memorial	6,940
Coleman Scholarship	2,019
College Project Fund	15,000
Cress	500
Dean's Fund	2,578
Emerson Scholarship	13,485
Entrepreneur Fund	18,664
Equipment	54,491
Faculty Scholarship	2,096
Fallerius Addition	20,000
G-R Civic Scholarship	2,367
Garber Scholarship	6,904
Galion FOP Scholarship	1,597
Gimbel-Health Chair	46,243
Gimble Scholarships	20,095
Gorman Fund	28,432
Gorman-Rupp Scholarship	5,213
Gubkin Scholarship	500
CC-Entrepreneur	40,000
Kroger Scholarship	2,026
Haring Scholarship	2,885
Innovation Fund	68,036
Jenko	28,407
Kehoe Center	444,621
Mansfield University	5,000
Necessities Fund	56,120
Necessities – Crawford	15,117
Necessities – Shelby	4,935
Necessities – Wayne	3,000

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

**NOTE 14 – COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION** (Continued)

Nursing Scholarship	17,790
Orange and Blue Scholarship	9,686
Phillips E Troop	3,582
Phillips Fund	6,262
Pres Emeritus Scholarship	4,111
Preston Scholarship	3,100
PTA Fund	2,196
Rable Machine Scholarship	2,801
Radiology Merit Scholarship	4,591
RMC	1,307
RR Donnelley	2,000
Searle – PTA	5,775
Searle – RN	5,775
Scholarships – General	5,437
Urban Center Scholarship Fund	3,000
Urban Center Project Fund	2,000
Vetter	500
Welsh Scholarship	5,196
Tech Prep	4,181
Other (Receivable Pledges)	429,774
Richland County Foundation	250,000
Total Temporarily Restricted	\$1,708,546

**PERMANENTLY RESTRICTED NET ASSETS**

**Endowment Scholarships for Students:**

ADA Ford Educational Aid Fund	\$20,000
Alumni	13,779
Brown/Respiratory	10,571
Cardwell/Neer	10,000
Carter Memorial Endowment	31,267
Cobey Scholarship	19,201
Coleman Scholarship	12,706
Cress	26,800
Emerson Scholarship	104,653
Faculty Scholarship	10,621
G-R Civic Scholarship	22,463
Galion FOP	11,500
Garber Scholarship	27,821
Gimble Health Chair	400,000
Gorman-Rupp Scholarship	56,661
Gubkin Scholarship	10,000
Haring Scholarship	24,334
Jenko	699,933

**North Central State College**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

**NOTE 14 – COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION** (Continued)

Kroger Scholarship	36,129
Necessities	119,790
Necessities – Crawford	31,250
Necessities – Shelby	23,090
Necessities – Wayne	25,000
Nursing Scholarship	234,801
Orange and Blue Scholarship	78,658
Phillips	50,000
Presidents Emeritus Endowment	20,320
Preston Endowment	33,821
PTA Fund	15,040
RMC	8,500
Searle – PTA	20,000
Searle – RN	20,000
Vetter	10,000
Welsh Scholarship	53,678
Entrepreneur Endowment (Y.E.S.)	38,651
Restricted Contributions	245,934
Total Permanently Restricted	\$2,576,972

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. The Foundation had no such amounts totaled as of June 30, 2011.

**NOTE 14 – COMPONENT UNIT DISCLOSURES- NORTH CENTRAL STATE COLLEGE FOUNDATION** (Continued)

**RICHLAND COUNTY FOUNDATION**

During 1991, the Foundation established a “Direct Fund” in which an irrevocable gift was made to the Richland County Foundation. This fund is identified by the Richland County Foundation as the North Central State College Foundation “Endowment Fund” and is subject to the provisions contained within the fund agreement dated December 31, 1991. This fund is the property of the Richland County Foundation, whereby, those funds will be held in perpetuity, and the investment income will be distributed to the Foundation annually to benefit the North Central State College. One of the provisions in this fund agreement, the variance power, concerns the power to vary some of the terms of the agreement. As defined by United States Treasury Regulations, the Richland County Foundation has the right to modify the terms of the fund agreement if in the judgment of the Richland County Foundation’s Board of Trustees, the restrictions and conditions in the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

In accordance with SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Hold Contributions for Others*, the portion of this fund contributed by the Foundation is considered a reciprocal transfer because the Foundation is also the beneficiary of this fund. This balance is shown on the Richland County Foundation’s Statement of Financial Position as a liability called “Funds Held as Agency Endowments”. This amounted to \$250,000 at June 30, 2011.

Also, under SFAS No. 136, the portion of this fund contributed by unrelated third party donors is considered a contribution to the Richland County Foundation and is included in the net assets of Richland County Foundation. The amount recognized in the Statement of Financial Position of the Richland County Foundation at June 30, 2011 totaled \$282,246.

**INCOME TAXES**

The Foundation is a not-for-profit corporation as described in Section 501 (c) (3) of the Internal Revenue Code, and the organization is exempt from federal and state income taxes.

**RELATED PARTY**

As previously described in Note 14, the Foundation is affiliated with the College. During the year ended June 30, 2011, the College provided the Foundation with professional services valued at \$131,798. The value of those services is included as personnel reimbursement expenses in the financial statements.

During the year ended June 30, 2011, the Foundation provided scholarships and support to the College of \$419,620.

**LINE OF CREDIT**

In Fiscal Year 2011, the College Foundation obtained a line of credit for up to \$600,000, secured by monetary assets at Key Bank, to complete the funding of the construction project at North Central State College’s Fallerius Center. The construction project is to be completed during the fall of 2011 (Fiscal Year 2012). Payments from donors on Foundation-secured financial pledges for the construction project will be made over the next three years and used to pay off the Key Bank Line of Credit. The outstanding liability at June 30, 2011 was \$262,902.

**North Central State College**  
*Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2011*

Federal Grantor/ Pass Through Grantor Program Title	CFDA #	Pass Through Entity Number	Disbursements
<b>United States Department of Education</b>			
Student Financial Assistance Programs Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	Direct	\$ 50,000
Federal Family Education Loans	84.032	Direct	6,457,845
Federal Work-Study Program	84.033	Direct	106,805
Federal Pell Grant Program	84.063	Direct	7,330,691
Academic Competitiveness Grants	84.375	Direct	59,695
<i>Total Student Financial Assistance Programs Cluster</i>			<u>14,005,036</u>
TRIO - Student Support Services	84.042	Direct	191,508
<i>Passed Through the Ohio Department of Education:</i>			
Career and Technical Education - Basic Grants to States	84.048	3L90	53,633
Tech-Prep Education	84.243	3ETC	166,660
State Fiscal Stabilization Fund Cluster			
State Fiscal Stabilization Fund - Government Services - ARRA	84.397	N/A	145,209
State Fiscal Stabilization Fund - Education - ARRA	84.394	N/A	984,291
Total State Fiscal Stabilization Fund Cluster			<u>1,129,500</u>
<i>Total Passed Through the Ohio Department of Education</i>			<u>1,349,793</u>
Total United States Department of Education			<u>15,546,337</u>
<b>United States Department of Labor</b>			
<i>Passed Through Ohio Bureau of Employment Services:</i>			
Trade Adjustment Assistance	17.245	6170	284,969
<i>Passed Through Ohio Department of Education:</i>			
WIA Adult Program	17.258	48621	229,991
Total United States Department of Labor			<u>514,960</u>
<b>United States Department of Health and Human Services</b>			
Head Start Cluster			
Head Start	93.600	Direct	542,203
Head Start - ARRA	93.708	Direct	11,095
Total Head Start Cluster			<u>553,298</u>
Total United States Department of Health and Human Services			<u>553,298</u>
<b>United States Department of Agriculture</b>			
<i>Passed Through the Ohio Department of Education</i>			
Child and Adult Care Food Program	10.558	3L80	38,778
Total United States Department of Agriculture			<u>38,778</u>
Total Federal Financial Assistance			<u>\$ 16,653,373</u>

See accompanying notes to the schedule of federal awards expenditures.

**North Central State College**  
*Notes to the Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal grant transactions of North Central State College (the College) recorded on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 2 – FEDERAL FAMILY EDUCATION LOANS**

During the fiscal year ended June 30, 2011, the College processed new loans under the Guaranteed Student Loan Program. The dollar amounts listed in the Schedule of Federal Awards Expenditures represents new loans awarded during the fiscal year.



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## **Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

North Central State College  
Board of Trustees  
2441 Kenwood Circle  
Mansfield, Ohio 44901

We have audited the financial statements of the business-type activities and the discretely presented component unit of North Central State College, Richland County, Ohio (the College) as of and for the year ended June 30, 2011, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 18, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the College's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the College's internal control over financial reporting.

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

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

### **Compliance and Other Matters**

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

North Central State College  
Board of Trustees  
Independent Accountants' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards*  
Page 2

We did note a certain matter not requiring inclusion in this report that we reported to the College's management in a separate letter dated November 18, 2011.

We intend this report solely for the information and use of management, the Board of Trustees, federal awarding agencies, pass-through entities, and others within the College. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.  
November 18, 2011



# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

## **Independent Accountants' Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required By OMB Circular A-133**

North Central State College  
Board of Trustees  
2441 Kenwood Circle  
Mansfield, Ohio 44901

### **Compliance**

We have audited the compliance of North Central State College (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of North Central State College's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the College's major federal programs. The College's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the College'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 included in the Comptroller General of the United States' *Government Auditing Standards*; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, North Central State College complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

### **Internal Control Over Compliance**

The College's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance, and to test and report internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the College's internal control over compliance.

### **Internal Control Over Compliance (Continued)**

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

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

We intend this report solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

November 18, 2011

**North Central State College**  
*Schedule of Findings*  
*OMB Circular A-133 Section .505*  
*For the Fiscal Year Ended June 30, 2011*

**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 significant internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance 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 significant internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	<p>Student Financial Aid Cluster: Federal Supplemental Educational Opportunity Grants, CFDA# 84.007; Federal Family Education Loans, CFDA #84.032; Federal Work-Study Program, CFDA# 84.033; Federal Pell Grant Program, CFDA# 84.063, Academic Competitiveness Grant, CFDA# 84.375</p> <p>State Fiscal Stabilization Fund Cluster:  State Fiscal Stabilization Fund Government Services - ARRA CFDA #84.394, and State Fiscal Stabilization Fund Education - ARRA CFDA #84.397</p> <p>Hear Start Cluster  Head Start CFDA #93.600  Head Start – ARRA CFDA #93.708</p>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**North Central State College**  
*Schedule of Findings*  
*OMB Circular A-133 Section .505*  
*For the Fiscal Year Ended June 30, 2011*

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

Finding Number	None
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**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

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

**Memorandum of Understanding  
Between  
Pioneer Career and Technology Center  
And  
North Central State College**

This Memorandum of Understanding (“The Agreement”) is entered into this 24<sup>th</sup> day of February, 2012, at Shelby, Ohio by and between the following parties:

**Pioneer Career and Technology Center**, 27 Ryan Road, Shelby, Ohio 44875

**North Central State College (NC State) Workforce Development**, 175 Mansfield Ave., Shelby, Ohio 44875

**Term of Agreement:** This agreement shall be in effect for \_\_\_\_\_ term, from Feb. 24, 2012, through Feb. 28, \_\_\_\_\_. This agreement may be automatically extended for one year periods if a new agreement is not completed by Jan. 20 of each year.

**Scope of Agreement:** This agreement outlines respective responsibilities of Pioneer Career and Technology Center and NC State in an arrangement, which involves the merger of workforce development operations at both institutions. In order to better serve area residents and reduce operation expenses for the individual operations, the two entities have agreed to merge workforce development operations. This arrangement allows for a single point of contact for adult workforce development for area companies seeking training for their employees and individuals interested in advancing their career opportunities.

Pioneer Career and Technology Center on behalf of both institutions has engaged a consultant, Mr. Tom Applegate to help advise both institutions on potential models of integration. That work will further define the details of our obligations to each other. In general terms however, *Duties will be divided as follows:*

Pioneer Career and Technology Center

1. Will provide staff to support goals and objectives approved by the combined entity’s advisory board.
2. Will provide facilities and equipment to support the combined entity including, office space, technology support, and classroom and meeting space as needed.
3. Will provide necessary registration and /or coordination to enroll students in courses at Pioneer Career and Technology Center and NC State Kehoe Center for Advanced Learning.
4. Will facilitate the operation of courses/programs at Pioneer Career and Technology Center, when deemed appropriate, to train at the Pioneer facility.

5. Will provide specialized equipment, replacement of equipment, special laboratory furnishings, materials, textbooks and supplies necessary to conduct programing at Pioneer Career and Technology Center
6. Will provide billing and reporting services as dictated by the Board of Regents and Ohio Department of Education for Workforce Development Training.
7. Will provide sufficient facilities and space, when appropriate, to operate a Workforce Development Training program.
8. Will coordinate services with NC State College to collect and maintain all pertinent student information, attendance records, etc. necessary to comply with reporting requirements of the Board of Regents and the Ohio Department of Education.
9. Will collect, when appropriate, any program fees, textbook fees, etc.
10. Will assist students with financial aid requirements when necessary.
11. Will maintain the appropriate staffing to operate programs/courses at Pioneer Career and Technology Center.

#### North Central State College

1. Will provide staff to support goals and objectives approved by the combined entity's advisory board.
2. Will provide budgetary and business office services for the combined entity.
3. Will provide necessary registration to enroll students in courses at NC State Kehoe Center for Advanced Learning
4. Will provide students enrolled in an approved NC State class, full privileges afforded to all students (use of library, student union hall, student services, etc.)
5. Will provide facilities and equipment to support the combined entity including, office space, technology support, and classroom and meeting space as needed.
6. Will review faculty credentials and approve teaching in programs offered for credit.

**Mission of the Combined Entity:** The primary goal of the agreement is to provide excellence in work force training to area businesses and citizens.

#### **Goals of Agreement:**

1. Meet industry and business training needs.
2. Teach relevant skills to area residents.
3. Operate as a source of revenue for each institution.

**Payment:** The merged workforce development operation will share revenue and expenses equally based on facility use and staff involvement.

**Subject to Appropriation:** It is understood that any and all expenditures of Pioneer and NC State funds are contingent on the availability of lawful appropriations by the Ohio

General Assembly. If the district treasurer determines at any time that the General Assembly failed to continue funding for the payments and/or other obligations that may be due hereunder, then Pioneer's obligations under this contract are terminated as of the date that the funding expired without further obligations of Pioneer or NC State.

**Indemnification:** Each party agrees to be responsible for any personal injury or property damage caused by the negligent acts or negligent omissions by or through itself or its agents, employees and contracted servants and each party further agrees to defend itself and themselves and pay any judgments and costs arising out of such negligent acts or negligent omissions, and nothing in this Agreement shall impute or transfer any such responsibility from one to the other.

**Controlling law:** This agreement and the rights of the parties hereunder shall be governed by the laws of the State of Ohio and only Ohio courts shall have jurisdiction over any action or proceeding concerning the Agreement and/or performance there under.

**Termination of Agreement:** Either party may terminate this agreement with a 120-day written notice although such termination will not occur until current courses are completed.

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Glenna Cannon,  
Superintendent  
Pioneer Career and Technology Center

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Date

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Donald L. Plotts  
President  
North Central State College

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Date

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Koffi Akakpo  
Vice President for Administrative Services  
North Central State College

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Date

Signed copy of this draft document will accompany Board Resolution due in March for Grant review.

# Leading Today's Workforce

## NEWLY FORMED TRAINING COLLABORATION TO OFFER LEADERSHIP CLASSES AT NORTH CENTRAL STATE COLLEGE

We are proud to announce the collaborative efforts of Pioneer Career & Technology Center Adult Education, Madison Adult Career Center, Ashland County-West Holmes Adult Education and North Central State College have joined forces to provide exceptional training opportunities. This dynamic team will offer a unique array of leadership classes that will open your eyes and perhaps even broaden your horizon as you learn how to effectively lead today's workforce.

### COURSE DETAILS

This course is designed with the flexibility of earning three credit hours (36 classroom hours) by successfully completing the entire curriculum or by fulfilling your training gaps in an "ala carte" fashion of enrolling in a specific 4-hour module(s).

Instructors will utilize a combination of mini-lectures, facilitated group exercises and individual self-assessments designed to facilitate student learning leading both to theoretical understanding of key concepts and behavior changes resulting in improved workplace performance in most instances.

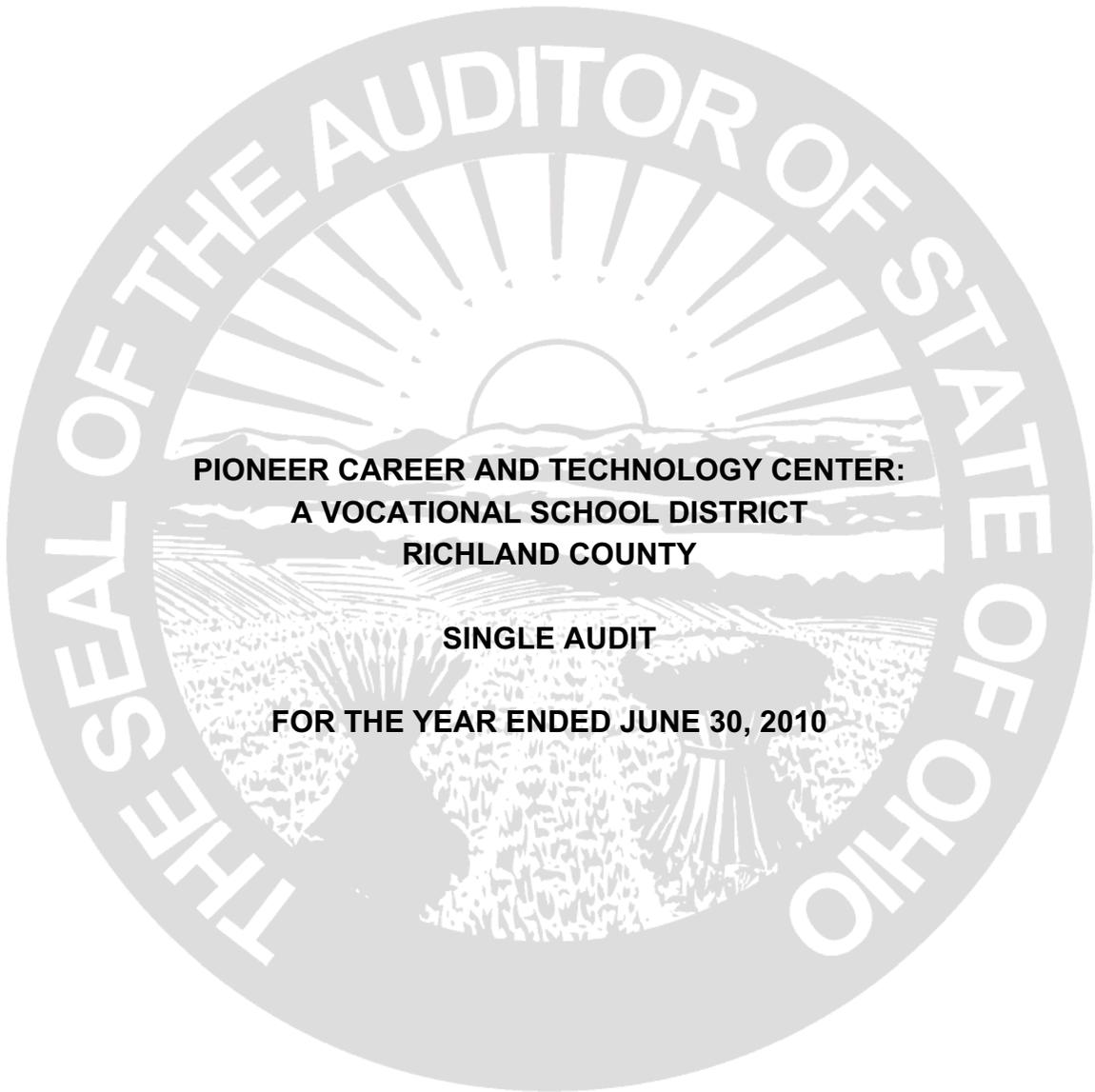
The "Leading Today's Workforce" course launches on March 26, 2012 and class will be in session on Monday's and Wednesday's from 6-8:00 pm at the Kehoe Center in Shelby, Ohio. Tuition for the entire course is \$365.00 or you may enroll in specific modules at a rate of \$45/module. For more information or to enroll, please call 419-755-4700.



### COURSE TOPICAL OUTLINE

- **WEEK 1:** Conflict in today's workplace
- **WEEK 2:** Effective communication & listening skills
- **WEEK 3:** Customer service
- **WEEK 4:** Coaching, motivation & performance review
- **WEEK 5:** Time management
- **WEEK 6:** Situational leadership & stages of development
- **WEEK 7:** Group development & teamwork
- **WEEK 8:** Roles, goals & accountability in your organization
- **WEEK 9:** Group/individual assignments & evaluations

*\*\* Each topic is designed within a 4-hour module. Please see schedule for specific dates/times.*



**Mary Taylor, CPA**  
Auditor of State



**PIONEER CAREER AND TECHNOLOGY CENTER:  
A VOCATIONAL SCHOOL DISTRICT  
RICHLAND COUNTY**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	15
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) General Fund.....	19
Statement of Net Assets – Proprietary Fund .....	20
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund .....	21
Statement of Cash Flows – Proprietary Fund .....	22
Statement of Fiduciary Net Assets – Fiduciary Funds .....	23
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund .....	24
Notes to the Basic Financial Statements .....	25
Federal Awards Receipts and Expenditures Schedule.....	55
Notes to the Federal Awards Receipts and Expenditures Schedule .....	56
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	57
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....	59
Schedule of Findings.....	61
Schedule of Prior Audit Findings.....	65

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Pioneer Career and Technology Center:  
A Vocational School District  
Richland County  
27 Ryan Road  
Shelby, Ohio 44875

To the Board of Education:

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards receipts and expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

December 3, 2010

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

**Financial Highlights**

Key financial highlights for fiscal year 2010 are as follows:

- In total, net assets of governmental activities increased \$2,559,457 which represents a 6.57% increase from 2009.
- General revenues accounted for \$17,732,254 in revenue or 85.15% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,093,260 or 14.85% of total revenues of \$20,825,514.
- The District had \$18,266,057 in expenses related to governmental activities; only \$3,093,260 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$17,732,254 were adequate to provide for these programs.
- The District's major governmental funds consist of the general fund, building fund and classroom facilities fund. The general fund had \$15,959,248 in revenues and other financing sources and \$16,004,945 in expenditures and other financing uses. During fiscal year 2010, the general fund's fund balance decreased \$48,661 from \$10,659,725 to \$10,611,064.
- The building fund had \$2,757,746 in expenditures. During fiscal year 2010, the building fund's fund balance decreased \$2,757,746 from \$4,861,254 to \$2,103,508.
- The classroom facilities fund had \$7,384,879 in revenues and \$4,024,678 in expenditures. During fiscal year 2010, the classroom facilities fund's fund balance increased \$3,360,201 from \$10,563,178 to \$13,923,379.

**Using the Basic Financial Statements**

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**Reporting the District as a Whole**

***Statement of Net Assets and the Statement of Activities***

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

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

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

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

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

***Proprietary Fund***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits health self-insurance. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 23 and 24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-54 of this report.

**The District as a Whole**

The statement of net assets provides the perspective of the District as a whole.

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

	<b>Net Assets</b>	
	Governmental Activities <u>June 30, 2010</u>	Governmental Activities <u>June 30, 2009</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 51,531,075	\$ 54,945,890
Capital assets, net	<u>10,458,410</u>	<u>3,488,340</u>
Total assets	<u>61,989,485</u>	<u>58,434,230</u>
<b><u>Liabilities</u></b>		
Current liabilities	6,956,379	5,471,155
Long-term liabilities	<u>13,540,677</u>	<u>14,030,103</u>
Total liabilities	<u>20,497,056</u>	<u>19,501,258</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	3,866,661	2,247,674
Restricted	27,212,016	25,402,015
Unrestricted	<u>10,413,752</u>	<u>11,283,283</u>
Total net assets	<u>\$ 41,492,429</u>	<u>\$ 38,932,972</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$41,492,429. At year-end, unrestricted net assets were \$10,413,752.

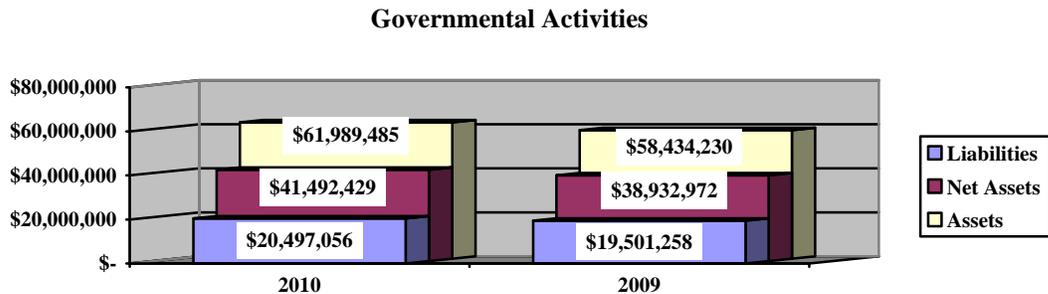
**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

At year-end, capital assets represented 16.87% of total assets. The increase in capital assets during fiscal year 2010 is due to the recording of additional construction in progress related to the District's Ohio School Facilities Commission (OSFC) building project. Capital assets include land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2010, were \$3,866,661. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$27,212,016, represents resources that are subject to external restriction on how they may be used. Of this amount, \$25,119,394 is restricted for capital projects and \$784,686 is restricted for debt service. The remaining balance of unrestricted net assets of \$10,413,752 may be used to meet the District's ongoing obligations to the students and creditors.

The graph below presents the District's governmental assets at June 30, 2010 and June 30, 2009.



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

**Change in Net Assets**

	Governmental Activities 2010	Governmental Activities 2009
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 1,060,754	\$ 980,207
Operating grants and contributions	2,032,506	2,465,292
General revenues:		
Property taxes	4,193,681	4,572,231
Grants and entitlements not restricted	10,465,026	10,044,016
Grants and entitlements restricted	2,514,841	19,240,852
Investment earnings	451,804	823,718
Miscellaneous	106,902	71,347
Total revenues	20,825,514	38,197,663

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**Change in Net Assets**

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 812,927	\$ 746,361
Special	526,508	433,739
Vocational	9,622,720	9,708,058
Adult	436,003	384,216
Other	-	41,146
Support services:		
Pupil	1,259,823	1,211,245
Instructional staff	1,164,839	1,587,544
Board of education	91,509	81,772
Administration	1,176,818	1,286,180
Fiscal	478,488	503,072
Business	183,932	164,142
Operations and maintenance	1,250,052	1,104,894
Pupil transportation	1,888	12,297
Central	158,508	136,630
Operation of non-instructional services:		
Other non-instructional services	140	-
Food service operations	423,815	374,546
Extracurricular activities	74,017	87,635
Interest and fiscal charges	<u>604,070</u>	<u>529,892</u>
Total expenses	<u>18,266,057</u>	<u>18,393,369</u>
Change in net assets	2,559,457	19,804,294
Net assets at beginning of year	<u>38,932,972</u>	<u>19,128,678</u>
Net assets at end of year	<u>\$ 41,492,429</u>	<u>\$ 38,932,972</u>

**Governmental Activities**

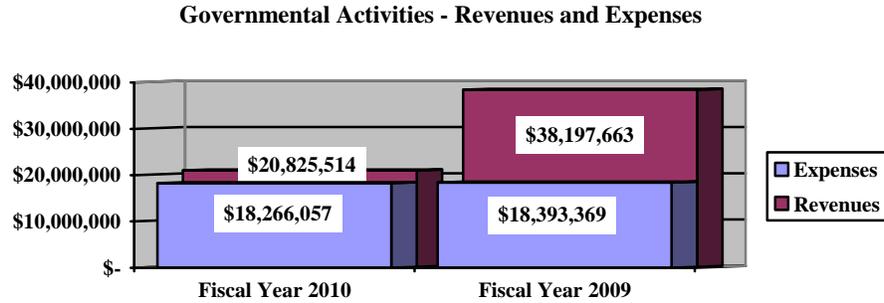
Net assets of the District's governmental activities increased \$2,559,457. Total governmental expenses of \$18,266,057 were offset by program revenues of \$3,093,260 and general revenues of \$17,732,254. Program revenues supported 16.93% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 82.46% of total governmental revenue. General revenue related to grants and entitlements decreased in fiscal year 2010 due to the recording of the entire OSFC State share in fiscal year 2009. Real estate property is reappraised every six years.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2010 and 2009. That is, it identifies the cost of these services supported by tax revenue and State grants and entitlements.

**Governmental Activities**

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 812,927	\$ 812,927	\$ 746,361	\$ 745,251
Special	526,508	526,508	433,739	433,739
Vocational	9,622,720	8,230,137	9,708,058	8,226,654
Adult	436,003	(35,782)	384,216	(61,936)
Other	-	-	41,146	41,146
Support services:				
Pupil	1,259,823	945,568	1,211,245	883,606
Instructional staff	1,164,839	782,669	1,587,544	858,158
Board of education	91,509	91,509	81,772	81,772
Administration	1,176,818	1,135,006	1,286,180	1,229,867
Fiscal	478,488	466,174	503,072	492,368
Business	183,932	178,707	164,142	160,153
Operations and maintenance	1,250,052	1,250,052	1,104,894	1,104,395
Pupil transportation	1,888	1,682	12,297	12,103
Central	158,508	111,751	136,630	122,177
Operation of non-instructional services:				
Other non-instructional services	140	140	-	-
Food service operations	423,815	(2,338)	374,546	890
Extracurricular activities	74,017	74,017	87,635	87,635
Interest and fiscal charges	<u>604,070</u>	<u>604,070</u>	<u>529,892</u>	<u>529,892</u>
<b>Total expenses</b>	<b><u>\$ 18,266,057</u></b>	<b><u>\$ 15,172,797</u></b>	<b><u>\$ 18,393,369</u></b>	<b><u>\$ 14,947,870</u></b>

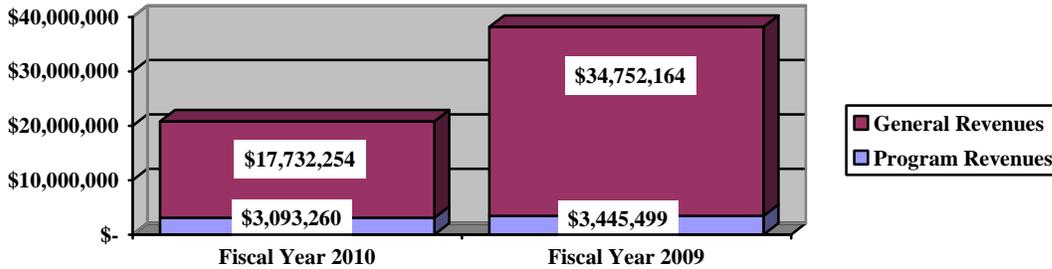
The dependence upon tax and other general revenues for governmental activities is apparent, as 83.64% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 83.07% of all expenses. The District's taxpayers and grants and entitlements are by far the primary support for District's students.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$33,207,669, which is higher than last year's total of \$33,078,197. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and June 30, 2009.

	Fund Balance <u>June 30, 2010</u>	Fund Balance <u>June 30, 2009</u>	Increase/ <u>(Decrease)</u>
General	\$ 10,611,064	\$ 10,659,725	\$ (48,661)
Building	2,103,508	4,861,254	(2,757,746)
Classroom facilities	13,923,379	10,563,178	3,360,201
Other governmental	<u>6,569,718</u>	<u>6,994,040</u>	<u>(424,322)</u>
Total	<u>\$ 33,207,669</u>	<u>\$ 33,078,197</u>	<u>\$ 129,472</u>

**General Fund**

The District's general fund balance decreased \$48,661.

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

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b>Revenues</b>				
Taxes	\$ 4,121,373	\$ 4,746,216	\$ (624,843)	(13.17) %
Earnings on investments	284,049	540,888	(256,839)	(47.48) %
Intergovernmental	11,290,769	10,863,612	427,157	3.93 %
Other revenues	<u>237,894</u>	<u>239,530</u>	<u>(1,636)</u>	<u>(0.68) %</u>
Total	<u>\$ 15,934,085</u>	<u>\$ 16,390,246</u>	<u>\$ (456,161)</u>	<u>(2.78) %</u>

Overall revenues of the general fund decreased \$456,161 or 2.78%. Tax revenue decreased \$624,843 or 13.17% mainly due to the phase out of tangible personal property taxes during fiscal year 2010. Earnings on investments decreased \$256,839 or 47.48% mainly due to declining interest rates during fiscal year 2010.

Intergovernmental revenue increased \$427,157 or 3.93%. This increase is attributed to an increase in tangible personal property tax loss reimbursements from the State pursuant to Am. Sub. House Bill 66.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 9,930,309	\$ 9,501,345	\$ 428,964	4.51 %
Support services	4,740,045	4,773,124	(33,079)	(0.69) %
Operation of non-instructional services	140	-	140	100.00 %
Extracurricular activities	68,910	82,528	(13,618)	(16.50) %
Capital outlay	20,670	49,321	(28,651)	(58.09) %
Debt service	<u>892,407</u>	<u>551,641</u>	<u>340,766</u>	61.77 %
Total	<u>\$ 15,652,481</u>	<u>\$ 14,957,959</u>	<u>\$ 694,522</u>	4.64 %

Overall expenditures of the general fund increased \$694,522 or 4.64%. The most significant areas of increase include instruction and debt service expenditures. Instruction expenditures increased \$428,964 or 4.51% mainly due to scheduled wage increases for District employees. Debt service expenditures increased \$340,766 or 61.77%. This increase can be attributed to the payments of principal and interest on the District's certificates of participation, which were issued during fiscal year 2009 with the first principal payment being made in fiscal year 2010.

***Building Fund***

The building fund had \$2,757,746 in expenditures. During fiscal year 2010, the building fund's fund balance decreased \$2,757,746 from \$4,861,254 to \$2,103,508.

***Classroom Facilities Fund***

The classroom facilities fund had \$7,384,879 in revenues and \$4,024,678 in expenditures. During fiscal year 2010, the classroom facilities fund's fund balance increased \$3,360,201 from \$10,563,178 to \$13,923,379.

***General Fund Budgeting Highlights***

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

For the general fund, final budgeted revenues and other financing sources were \$15,976,487, which was only \$1,000 more than original budgeted revenues and other financing sources of \$15,975,487. Actual revenues and other financing sources for fiscal year 2010 were \$16,219,347. This represents a \$242,860 increase over final budgeted revenues and other financing sources.

General fund original appropriations and other financing uses of \$16,917,996 were decreased to \$16,871,420 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$16,470,729, which was \$400,691 less than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2010, the District had \$10,458,410 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

The following table shows June 30, 2010 balances compared to June 30, 2009.

<b>Capital Assets at June 30 (Net of Depreciation)</b>		
<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>
Land	\$ 25,000	\$ 25,000
Construction in progress	7,865,490	916,886
Building and improvements	671,437	753,326
Furniture and equipment	1,741,125	1,586,882
Vehicles	<u>155,358</u>	<u>206,246</u>
<b>Total</b>	<b><u>\$ 10,458,410</u></b>	<b><u>\$ 3,488,340</u></b>

The overall increase in capital assets of \$6,970,070 is due to capital outlays of \$7,363,424 exceeding current year depreciation of \$378,313. Total disposals to capital assets were \$15,041 (net of accumulated depreciation).

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

***Debt Administration***

At June 30, 2010, the District had \$12,242,647 in energy conservation bonds, certificates of participation, pollution remediation and capital lease obligations outstanding. Of this total, \$355,461 is due within one year and \$11,887,186 is due in more than one year. The following table summarizes the bonds and leases outstanding at June 30, 2010 compared to June 30, 2009.

	<u>Governmental Activities 2010</u>	<u>Governmental Activities 2009</u>
Energy conservation bonds	\$ 345,000	\$ 390,000
Certificates of participation	11,750,000	11,970,000
Pollution remediation	46,906	131,222
Capital lease obligations	<u>100,741</u>	<u>124,609</u>
<b>Total</b>	<b><u>\$ 12,242,647</u></b>	<b><u>\$ 12,615,831</u></b>

See Note 10 to the basic financial statements for additional information on the District's debt administration.

**Current Financial Related Activities**

The District has carefully managed its general fund budgets in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed periodically from the community's citizens. As the preceding information shows, the general fund cash balance (including encumbrances) was \$10,720,771 at June 30, 2010. The general fund cash balance includes the cash balance of rotary funds. On a GAAP basis, these amounts are consolidated with the general fund. The general fund cash balance was \$10,727,283 at June 30, 2009. This minimal decrease of \$6,512 indicates that the District is maintaining a healthy cash balance.

Sound fiscal management by the Board of Education and Administration has enabled the District to maintain a healthy cash balance, replace the 1 mill five year operating levy in 1999, and renew it again in November 2003 and continue a quality, comprehensive educational program.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

With Board guidance, the recent fiscal year budgets have been carefully managed in order to avoid additional tax millage above the current 3.7 voted mills that is being collected at 2.0 effective mills. In November 2003, the Board submitted, and the electors of the District approved (by a vote of 61.26% to 38.74%) a 1-mill renewal tax for the purpose of current expenses for a third five year period of time. By monitoring its five-year forecast, the Board was able to request voter approval early in the forecast cycle to maintain the same millage and not face possible reductions in educational programming. This millage is currently rolled back and collected at .67 mills for Residential and Agricultural Real Estate property. Since the total effective millage is at the 2 mill floor, it was not of any benefit to renew this levy in 2009. The Board is committed to utilizing the funds the District receives from the remaining levies to increase teacher salaries and purchase instructional materials, textbooks, and technology. Substantial funds have also been set aside for vocational equipment and building repair and maintenance.

Several significant legislative and judicial actions have occurred that will have a major impact on the District. The Ohio Supreme Court ruled in March 1997 that the State of Ohio was operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." After 20 years of controversy over its school funding system, Ohio now has a new method for providing funding to its public schools. Enacted as part of the 2009-2011 State budget, the Ohio Evidence-Based Model is designed to fund strategies that have the best chance to help students learn. While economic realities require that the new approach be phased in over 10 years, the principles underlying the evidence-based model are now in place. What's more, the new funding model is tied to education reforms designed to build a 21st-century system of education for Ohio. This new funding model was not applicable to Joint Vocational School's (JVS's) and a State funding committee is currently working on a method to fund JVS's. For the current biennium, JVS's were given an increase of 0.75% over the prior fiscal year due to the recession's impact on the State budget. This resulted in an increase of \$80,000 per year for fiscal year 2010 and fiscal year 2011. Had the District remained on the per pupil funding as in prior years, the increase would have been \$1,300,000 for each fiscal year. This resulted in a loss of funding of \$1,200,000 for each of the two years of the biennium. This has resulted in the need for a new levy sooner than anticipated to replace the 1 mill that expired at December 2009.

Another challenge facing the District is the need to renovate its facilities to meet current safety codes, correct building defects, and streamline operations and to enhance learning space design for students. The Board has been approved for building assistance funding through the OSFC. OSFC funding will comprise approximately 75% of the approved project costs; thus, it is important to capture this revenue source to relieve some of the financial burden from local taxpayers. As the facility is now forty years old, there are many updates, repairs and upgrades needed to continue quality vocational programming and protect the taxpayer's investment for future students. The total project is \$34.5 million and requires an annual maintenance fund of about \$425,000 for 23 years. To fund the local share and the annual maintenance requirement, a 1-mill continuing Permanent Improvement Levy was submitted to the voters in November 2007 and was defeated by a 52.3 % margin. This ballot issue was resubmitted to the voters in March 2008 and was defeated a second time. Using the current 5 year forecast, the District decided to issue Certificates of Participation in the amount of \$11.5 million in August of 2008 to secure the \$19 million OSFC State match. Projections indicate that the District will need additional funding by fiscal year 2012 to continue operations and service the debt. A financial task force has been formed to review the options concerning the 1 mill operating levy that expired in 2009.

The District has committed itself to educational and financial excellence for many years. Each challenge identified in this section is viewed simultaneously as an opportunity for the District to foray down paths not previously traveled and to continue its commitment to excellence. The District is committed to living within its financial means, and working with the community it serves in order to garner adequate resources to support the educational program.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Jerry Payne, Treasurer, Pioneer Career & Technology Center, 27 Ryan Road, Shelby, Ohio 44875-0309.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2010

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 34,923,196
Cash with fiscal agent . . . . .	775,906
Cash with escrow agent . . . . .	782,445
Receivables:	
Taxes . . . . .	4,332,832
Accounts. . . . .	138,577
Intergovernmental . . . . .	9,901,881
Accrued interest . . . . .	230,805
Prepayments . . . . .	90,876
Materials and supplies inventory. . . . .	100,495
Unamortized certificate of participation issuance costs . . . . .	254,062
Capital assets:	
Land and construction in progress. . . . .	7,890,490
Depreciable capital assets, net. . . . .	2,567,920
Capital assets, net . . . . .	10,458,410
 Total assets. . . . .	 61,989,485
 <b>Liabilities:</b>	
Accounts payable. . . . .	229,573
Contracts payable. . . . .	2,004,279
Retainage payable . . . . .	32,515
Accrued wages and benefits . . . . .	1,167,061
Pension obligation payable. . . . .	197,358
Intergovernmental payable . . . . .	63,895
Unearned revenue . . . . .	2,952,525
Accrued interest payable . . . . .	46,022
Claims payable. . . . .	263,151
Long-term liabilities:	
Due within one year. . . . .	728,657
Due in more than one year . . . . .	12,812,020
 Total liabilities . . . . .	 20,497,056
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt. . . . .	3,866,661
Restricted for:	
Capital projects . . . . .	25,119,394
Debt service. . . . .	784,686
Classroom facilities maintenance . . . . .	425,360
State funded programs. . . . .	24,172
Federally funded programs . . . . .	645
Public school support . . . . .	17,067
Other purposes . . . . .	840,692
Unrestricted. . . . .	10,413,752
 Total net assets . . . . .	 \$ 41,492,429

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u> <u>Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
				<u>Governmental</u>
				<u>Activities</u>
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 812,927	\$ -	\$ -	\$ (812,927)
Special . . . . .	526,508	-	-	(526,508)
Vocational . . . . .	9,622,720	329,260	1,063,323	(8,230,137)
Adult . . . . .	436,003	199,463	272,322	35,782
Support services:				
Pupil. . . . .	1,259,823	44,627	269,628	(945,568)
Instructional staff . . . . .	1,164,839	222,114	160,056	(782,669)
Board of education . . . . .	91,509	-	-	(91,509)
Administration. . . . .	1,176,818	18,438	23,374	(1,135,006)
Fiscal. . . . .	478,488	-	12,314	(466,174)
Business. . . . .	183,932	-	5,225	(178,707)
Operations and maintenance . . . . .	1,250,052	-	-	(1,250,052)
Pupil transportation. . . . .	1,888	-	206	(1,682)
Central . . . . .	158,508	-	46,757	(111,751)
Operation of non-instructional services:				
Other non-instructional services . . . . .	140	-	-	(140)
Food service operations . . . . .	423,815	246,852	179,301	2,338
Extracurricular activities. . . . .	74,017	-	-	(74,017)
Interest and fiscal charges . . . . .	604,070	-	-	(604,070)
<b>Total . . . . .</b>	<b>\$ 18,266,057</b>	<b>\$ 1,060,754</b>	<b>\$ 2,032,506</b>	<b>(15,172,797)</b>

**General Revenues:**

Property taxes levied for:	
General purposes . . . . .	4,193,681
Grants and entitlements not restricted to specific programs . . . . .	10,465,026
Grants and entitlements restricted for Ohio School Facilities Commission. . . . .	2,514,841
Investment earnings . . . . .	451,804
Miscellaneous . . . . .	106,902
<b>Total general revenues . . . . .</b>	<b>17,732,254</b>
Change in net assets . . . . .	2,559,457
<b>Net assets at beginning of year. . . . .</b>	<b>38,932,972</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 41,492,429</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	<u>General</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 10,720,771	\$ 2,315,935	\$ 15,692,711	\$ 6,193,779	\$ 34,923,196
Cash with escrow agent. . . . .	-	-	-	782,445	782,445
Receivables:					
Taxes . . . . .	4,332,832	-	-	-	4,332,832
Accounts. . . . .	7,013	-	-	131,564	138,577
Intergovernmental . . . . .	991	-	9,864,616	36,274	9,901,881
Accrued interest . . . . .	229,184	-	1,621	-	230,805
Interfund loans. . . . .	275,000	-	-	-	275,000
Prepayments. . . . .	36,497	4,999	48,071	1,309	90,876
Materials and supplies inventory. . . . .	67,783	-	-	32,712	100,495
Total assets . . . . .	<u>\$ 15,670,071</u>	<u>\$ 2,320,934</u>	<u>\$ 25,607,019</u>	<u>\$ 7,178,083</u>	<u>\$ 50,776,107</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 32,308	\$ 50	\$ 423	\$ 196,792	\$ 229,573
Contracts payable. . . . .	-	217,376	1,786,903	-	2,004,279
Retainage payable. . . . .	-	-	32,515	-	32,515
Accrued wages and benefits. . . . .	1,085,409	-	-	81,652	1,167,061
Compensated absences payable . . . . .	164,413	-	-	-	164,413
Pension obligation payable . . . . .	157,141	-	-	40,217	197,358
Intergovernmental payable . . . . .	59,760	-	-	4,135	63,895
Interfund loans payable. . . . .	-	-	-	275,000	275,000
Pollution remediation obligation payable. . . . .	-	-	46,906	-	46,906
Deferred revenue . . . . .	607,451	-	9,816,893	10,569	10,434,913
Unearned revenue. . . . .	2,952,525	-	-	-	2,952,525
Total liabilities. . . . .	<u>5,059,007</u>	<u>217,426</u>	<u>11,683,640</u>	<u>608,365</u>	<u>17,568,438</u>
<b>Fund Balances:</b>					
Reserved for encumbrances. . . . .	161,152	46,022	530,189	185,519	922,882
Reserved for materials and supplies inventory . . . . .	67,783	-	-	32,712	100,495
Reserved for prepayments. . . . .	36,497	4,999	48,071	1,309	90,876
Reserved for debt service. . . . .	-	-	-	784,686	784,686
Reserved for tax revenue unavailable for appropriation. . . . .	957,825	-	-	-	957,825
Unreserved, undesignated, reported in:					
General fund. . . . .	9,387,807	-	-	-	9,387,807
Special revenue funds . . . . .	-	-	-	993,015	993,015
Capital projects funds . . . . .	-	2,052,487	13,345,119	4,572,477	19,970,083
Total fund balances . . . . .	<u>10,611,064</u>	<u>2,103,508</u>	<u>13,923,379</u>	<u>6,569,718</u>	<u>33,207,669</u>
Total liabilities and fund balances . . . . .	<u>\$ 15,670,071</u>	<u>\$ 2,320,934</u>	<u>\$ 25,607,019</u>	<u>\$ 7,178,083</u>	<u>\$ 50,776,107</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$ 33,207,669
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		10,458,410
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$ 421,524	
Intergovernmental receivable	9,828,453	
Accrued interest receivable	184,936	
Total		10,434,913
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.		512,755
Unamortized certificates of participation issuance costs are not recognized in the funds.		254,062
Unamortized discounts on certificates of participation are not recognized in the funds.		185,437
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(46,022)
Long-term liabilities, including certificates of participation, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(1,319,054)	
Energy conservation bonds payable	(345,000)	
Certificates of participation	(11,750,000)	
Capital lease obligations	(100,741)	
Total		(13,514,795)
<b>Net assets of governmental activities</b>		<b>\$ 41,492,429</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

	<u>General</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Taxes . . . . .	\$ 4,121,373	\$ -	\$ -	\$ -	\$ 4,121,373
Tuition . . . . .	-	-	-	411,776	411,776
Charges for services . . . . .	-	-	-	246,852	246,852
Earnings on investments . . . . .	284,049	-	49,716	378	334,143
Extracurricular . . . . .	-	-	-	20,142	20,142
Classroom materials and fees . . . . .	-	-	-	189,476	189,476
Contributions and donations . . . . .	-	-	-	7,219	7,219
Contract services . . . . .	131,742	-	-	59,449	191,191
Other local revenues . . . . .	106,152	-	750	1,317	108,219
Intergovernmental - intermediate . . . . .	-	-	-	160,286	160,286
Intergovernmental - state . . . . .	11,290,769	-	7,334,413	321,236	18,946,418
Intergovernmental - federal . . . . .	-	-	-	713,089	713,089
Total revenues . . . . .	<u>15,934,085</u>	<u>-</u>	<u>7,384,879</u>	<u>2,131,220</u>	<u>25,450,184</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	767,654	-	-	-	767,654
Special . . . . .	498,153	-	-	-	498,153
Vocational . . . . .	8,664,502	-	-	739,671	9,404,173
Adult . . . . .	-	-	-	442,279	442,279
Support services:					
Pupil . . . . .	817,583	-	-	420,388	1,237,971
Instructional staff . . . . .	795,075	-	-	435,569	1,230,644
Board of education . . . . .	77,430	-	-	14,079	91,509
Administration . . . . .	1,179,464	-	-	39,939	1,219,403
Fiscal . . . . .	424,768	3,444	40,595	10,612	479,419
Business . . . . .	173,891	-	-	5,380	179,271
Operations and maintenance . . . . .	1,111,757	-	-	-	1,111,757
Pupil transportation . . . . .	1,710	-	-	178	1,888
Central . . . . .	158,367	-	-	65,896	224,263
Operation of non-instructional services:					
Other non-instructional services . . . . .	140	-	-	-	140
Food service operations . . . . .	-	-	-	409,348	409,348
Extracurricular activities . . . . .	68,910	-	-	-	68,910
Facilities acquisition and construction . . . . .	-	2,754,302	3,984,083	321,452	7,059,837
Capital outlay . . . . .	20,670	-	-	-	20,670
Debt service:					
Principal retirement . . . . .	304,235	-	-	-	304,235
Interest and fiscal charges . . . . .	588,172	-	-	-	588,172
Total expenditures . . . . .	<u>15,652,481</u>	<u>2,757,746</u>	<u>4,024,678</u>	<u>2,904,791</u>	<u>25,339,696</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	281,604	(2,757,746)	3,360,201	(773,571)	110,488
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	-	777,824	777,824
Transfers (out) . . . . .	(352,464)	-	-	(425,360)	(777,824)
Sale of capital assets . . . . .	4,493	-	-	-	4,493
Capital lease transaction . . . . .	20,670	-	-	-	20,670
Total other financing sources (uses) . . . . .	<u>(327,301)</u>	<u>-</u>	<u>-</u>	<u>352,464</u>	<u>25,163</u>
Net change in fund balances . . . . .	(45,697)	(2,757,746)	3,360,201	(421,107)	135,651
<b>Fund balances at beginning of year . . . . .</b>	<b>10,659,725</b>	<b>4,861,254</b>	<b>10,563,178</b>	<b>6,994,040</b>	<b>33,078,197</b>
<b>Decrease in reserve for inventory . . . . .</b>	<b>(2,964)</b>	<b>-</b>	<b>-</b>	<b>(3,215)</b>	<b>(6,179)</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 10,611,064</u></b>	<b><u>\$ 2,103,508</u></b>	<b><u>\$ 13,923,379</u></b>	<b><u>\$ 6,569,718</u></b>	<b><u>\$ 33,207,669</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>	\$	135,651
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital asset additions	\$ 7,363,424	
Current year depreciation	(378,313)	
Total		6,985,111
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(15,041)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		(6,179)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	72,308	
Intergovernmental	(4,814,065)	
Earnings on investments	97,301	
Total		(4,644,456)
Repayment of principal and capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		304,235
Capital lease obligation payable balance forgiven as part of the lease trade-in agreement. This reduces the long-term obligations on the statement of net assets.		
		5,303
Proceeds of capital lease transactions are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets.		
		(20,670)
In the statement of activities, interest is accrued on outstanding bonds and certificates of participation whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	738	
Amortization of discounts	(7,019)	
Amortization of issuance costs	(9,617)	
Total		(15,898)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		218,204
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities		
		(386,803)
<b>Change in net assets of governmental activities</b>	\$	2,559,457

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 4,257,621	\$ 4,257,621	\$ 4,257,096	\$ (525)
Earnings on investments . . . . .	350,000	350,000	282,991	(67,009)
Contract services. . . . .	151,500	152,500	131,742	(20,758)
Other local revenues . . . . .	73,000	73,000	100,966	27,966
Intergovernmental - state . . . . .	11,007,866	11,007,866	11,289,056	281,190
Total revenues. . . . .	<u>15,839,987</u>	<u>15,840,987</u>	<u>16,061,851</u>	<u>220,864</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	530,148	530,148	762,367	(232,219)
Special. . . . .	503,552	503,552	486,981	16,571
Vocational. . . . .	9,199,602	9,153,026	8,765,565	387,461
Support services:				
Pupil. . . . .	827,198	827,198	807,099	20,099
Instructional staff . . . . .	923,856	923,856	825,777	98,079
Board of education . . . . .	72,922	72,922	100,368	(27,446)
Administration. . . . .	1,105,416	1,105,416	1,238,048	(132,632)
Fiscal . . . . .	511,412	511,412	428,010	83,402
Business . . . . .	126,798	126,798	175,046	(48,248)
Operations and maintenance. . . . .	1,235,867	1,235,867	1,156,106	79,761
Pupil transportation . . . . .	2,252	2,252	1,924	328
Central. . . . .	149,523	149,523	172,205	(22,682)
Operation of non-instructional services . . . . .	10,000	10,000	139	9,861
Extracurricular activities. . . . .	97,284	97,284	81,434	15,850
Debt service:				
Principal retirement . . . . .	842,166	842,166	265,000	577,166
Interest and fiscal charges. . . . .	580,000	580,000	577,165	2,835
Total expenditures . . . . .	<u>16,717,996</u>	<u>16,671,420</u>	<u>15,843,234</u>	<u>828,186</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(878,009)</u>	<u>(830,433)</u>	<u>218,617</u>	<u>1,049,050</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditures . . . . .	20,000	20,000	62,503	42,503
Refund of prior year receipts. . . . .	-	-	(31)	(31)
Transfers in . . . . .	25,000	25,000	-	(25,000)
Transfers (out). . . . .	(50,000)	(50,000)	(352,464)	(302,464)
Advances in. . . . .	90,500	90,500	90,500	-
Advances (out) . . . . .	(100,000)	(100,000)	(275,000)	(175,000)
Contingencies . . . . .	(50,000)	(50,000)	-	50,000
Sale of capital assets. . . . .	-	-	4,493	4,493
Total other financing sources (uses) . . . . .	<u>(64,500)</u>	<u>(64,500)</u>	<u>(469,999)</u>	<u>(405,499)</u>
Net change in fund balance . . . . .	(942,509)	(894,933)	(251,382)	643,551
<b>Fund balance at beginning of year . . . . .</b>	<b>10,434,624</b>	<b>10,434,624</b>	<b>10,434,624</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>293,232</b>	<b>293,232</b>	<b>293,232</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 9,785,347</u></b>	<b><u>\$ 9,832,923</u></b>	<b><u>\$ 10,476,474</u></b>	<b><u>\$ 643,551</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2010

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Assets:</b>	
Current assets:	
Cash with fiscal agent . . . . .	\$ 775,906
Total assets. . . . .	<u>775,906</u>
<b>Liabilities:</b>	
Claims payable . . . . .	<u>263,151</u>
Total liabilities . . . . .	<u>263,151</u>
<b>Net assets:</b>	
Unrestricted. . . . .	<u>512,755</u>
Total net assets . . . . .	<u>\$ 512,755</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 2,164,432
Total operating revenues . . . . .	<u>2,164,432</u>
<b>Operating expenses:</b>	
Claims expense . . . . .	<u>2,572,012</u>
Total operating expenses . . . . .	<u>2,572,012</u>
Operating loss . . . . .	<u>(407,580)</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	<u>20,777</u>
Total nonoperating revenues . . . . .	<u>20,777</u>
Change in net assets . . . . .	(386,803)
<b>Net assets at beginning of year . . . . .</b>	<u>899,558</u>
<b>Net assets at end of year . . . . .</b>	<u><u>\$ 512,755</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 2,164,432
Cash payments for claims expenses. . . . .	<u>(2,494,905)</u>
Net cash used in operating activities . . . . .	<u>(330,473)</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>20,777</u>
Net cash provided by investing activities . . . . .	<u>20,777</u>
Net decrease in cash and investments . . . . .	(309,696)
<b>Cash and investments at beginning of year . . . . .</b>	<u>1,085,602</u>
<b>Cash and investments at end of year. . . . .</b>	<u><u>\$ 775,906</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss. . . . .	\$ (407,580)
Increase in claims payable . . . . .	<u>77,107</u>
Net cash used in operating activities. . . . .	<u><u>\$ (330,473)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 163,625	\$ 810,912
Receivables:		
Accounts . . . . .	-	11,692
Prepayments . . . . .	-	18,073
	163,625	840,677
Total assets . . . . .	163,625	\$ 840,677
<b>Liabilities:</b>		
Accounts payable . . . . .	-	\$ 26,977
Intergovernmental payable . . . . .	146	774,591
Due to students . . . . .	-	39,109
	146	840,677
Total liabilities . . . . .	146	\$ 840,677
<b>Net assets:</b>		
Held in trust for scholarships . . . . .	163,479	
Total net assets . . . . .	\$ 163,479	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		<u>Private-Purpose Trust</u>
		<u>Scholarship</u>
<b>Additions:</b>		
Interest. . . . .	\$	1,068
Gifts and contributions. . . . .		2,603
Total additions. . . . .		<u>3,671</u>
 <b>Deductions:</b>		
Scholarships awarded . . . . .		<u>6,852</u>
 Change in net assets. . . . .		(3,181)
 <b>Net assets at beginning of year . . . . .</b>		<u>166,660</u>
 <b>Net assets at end of year. . . . .</b>	<b>\$</b>	<b><u>163,479</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Pioneer Career and Technology Center (the "District") was formed on June 18, 1965. The District is a vocational school district as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate. The District was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under an appointed 11 member Board of Education and is responsible for the provision of public education to residents of the District.

The District's primary mission is to provide students with job training, which is expected to lead to the students' employment upon graduation from high school. The District includes 14 member school districts throughout Richland, Crawford, Huron, Morrow, Wyandot, Seneca, Marion and Ashland counties.

The District also provides support services for the pupils, instructional staff, operation and maintenance, food services, extracurricular activities, and nonprogrammed services. It is staffed by 30 non-certified employees and 134 certificated full-time teaching personnel, who provide services to 1,305 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

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

*JOINT VENTURE WITHOUT EQUITY INTEREST*

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG 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 school districts. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2010, the District paid \$191,045 to the COG for various services. The District serves as fiscal agent for the COG and financial activity for fiscal year 2010 is reported in the financial statements as an agency fund.

*PUBLIC ENTITY RISK POOLS*

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

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

Each year, the participating school districts pay an enrollment fee to Sheakley Uniservice, Inc. to cover the costs of administering the program.

School of Ohio Risk Sharing Authority

The District also participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA's business affairs are conducted by a nine member Board of directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self-insurance coverage and to assist members to prevent and reduce losses and injuries to the District's property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code 2744.

**B. Fund Accounting**

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

*GOVERNMENTAL FUNDS*

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

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

Building fund - The building fund is used to account for receipts and expenditures related to all special bond funds in the District and to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students. Expenditures recorded here represent the costs of acquiring and improving capital facilities, including real property.

Classroom facilities fund - The classroom facilities fund is used to account for financial resources and expenditures related to the school facilities construction project.

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; (c) grants and other resources whose use is restricted to a particular purpose; and (d) food service operations.

*PROPRIETARY FUND*

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for student activities and the Heartland COG.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

**C. Basis of Presentation and Measurement Focus**

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

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

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

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

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

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report results of operations.

**D. Basis of Accounting**

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

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

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

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

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

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

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgets**

The 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 amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources by fund, as certified. The specific timetable is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Richland County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the original and final certificates of estimated resources issued for fiscal year 2010.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. Although the legal level of budgetary control is at the fund level, the District has elected to show the budgetary statement at the fund and function level of expenditures.

All supplemental appropriations were legally enacted by the Board during fiscal year 2010.

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

**F. Cash and Investments**

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

During fiscal year 2010, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), federal agency securities, negotiable certificates of deposit, U.S. Government money market and nonnegotiable certificates of deposit. All investments of the District had a maturity date of five years or less from the date of purchase. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$284,049, which includes \$116,444 assigned from other District funds.

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

An analysis of the District’s investments at year end is provided in Note 4.

**G. Inventory**

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

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

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

**H. Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements. For fiscal year 2010, the District maintained a capitalization threshold of \$5,000.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and improvements	25 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 15 years

**I. Interfund Balances**

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

**J. Compensated Absences**

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2010, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 with at least 5 years of service and all employees with at least 20 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2010 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**K. Accrued Liabilities and Long-Term Obligations**

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

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

**L. Fund Balance Reserves**

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes includes amounts restricted for the following nonmajor governmental funds: food service, special trust, uniform school supplies and adult education.

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

**N. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment.

At fiscal year end, because prepayments and deferrals are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

**O. Unamortized Issuance Costs/Discount**

On government-wide financial statements, issuance costs are defined and amortized over the term of the certificates of participation using the straight-line method, which approximates the effective interest method. Unamortized issuance costs of certificates of participation are recorded as a separate line item on the statement of net assets.

Discounts on certificates of participation are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Premiums are presented as an addition to the face amount of the certificates of participation.

On the governmental fund financial statements, issuance costs and discounts are recognized in the current period. A reconciliation between the certificates of participation face value and the amount reported on the statement of net assets is presented in Note 10.C.

**P. Estimates**

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

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

**Q. Interfund Activity**

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

**R. Extraordinary and Special Items**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

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

**B. Deficit Fund Balances**

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Other grants	\$ 4,545
Public school preschool	182
Vocational education enhancements	92
School to work	2,132
Vocational education	178,835
Improving teacher quality	775
Miscellaneous federal grants	67,496

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

The deficit fund balance in all other funds resulted from both the reporting of short-term interfund loans as a fund liability rather than as an other financing source and adjustments for accrued liabilities.

**C. Legal Compliance**

Contrary to Section 5705.41 (D), Ohio Revised Code, the District did not certify all commitments as required by Ohio law.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash on Hand**

At fiscal year end, the District had \$425 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

**B. Cash with Fiscal Agent**

The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2010 was \$775,906 and is not included in "Deposits with Financial Institutions".

**C. Cash with Escrow Agent**

At June 30, 2010, the District had \$782,445 in cash with an escrow agent relating to the certificates of participation that were issued during fiscal year 2010. This amount is recorded in the debt service fund (a nonmajor governmental fund) and is included in "Deposits with Financial Institutions".

**D. Deposits with Financial Institutions**

At June 30, 2010, the carrying amount of all District deposits was \$24,392,147. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$16,719,910 of the District's bank balance of \$24,611,451 was exposed to custodial risk as discussed below, while \$7,891,541 was covered by the FDIC.

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**E. Investments**

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

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	25 to 60 months
Negotiable CDs	\$ 1,604,796	\$ 297,778	\$ 451,584	\$ 555,659	\$ 200,570	\$ 99,205
FHLB	3,845,919	1,000,000	2,241,980	-	-	603,939
FHLB discount notes	2,127,359	204,958	1,922,401	-	-	-
FHLMC	1,000,830	-	-	-	-	1,000,830
FNMA	706,002	-	-	-	-	706,002
FNMA discount notes	2,799,100	2,300,000	499,100	-	-	-
STAR Ohio	191,465	191,465	-	-	-	-
U.S. Government money market	12,135	12,135	-	-	-	-
Total	<u>\$ 12,287,606</u>	<u>\$ 4,006,336</u>	<u>\$ 5,115,065</u>	<u>\$ 555,659</u>	<u>\$ 200,570</u>	<u>\$ 2,409,976</u>

The weighted average maturity of investments is 1.14 years.

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

*Credit Risk:* The District's investments in federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market ratings. The District has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Negotiable CDs	\$ 1,604,796	13.06
FHLB	3,845,919	31.30
FHLB discount notes	2,127,359	17.31
FHLMC	1,000,830	8.15
FNMA	706,002	5.75
FNMA discount notes	2,799,100	22.78
STAR Ohio	191,465	1.56
U.S. Government money market	<u>12,135</u>	<u>0.09</u>
Total	<u>\$ 12,287,606</u>	<u>100.00</u>

**F. Reconciliation of Cash and Investments to the Statement of Net Assets**

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 24,392,147
Investments	12,287,606
Cash with fiscal agent	775,906
Cash on hand	<u>425</u>
Total	<u>\$ 37,456,084</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 36,481,547
Private-purpose trust fund	163,625
Agency funds	<u>810,912</u>
Total	<u>\$ 37,456,084</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund balances at June 30, 2010 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 275,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2010 are reported on the statement of net assets.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

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

Transfers to nonmajor governmental funds from:

General fund	\$ 352,464
Nonmajor governmental fund	<u>425,360</u>
Total	<u>\$ 777,824</u>

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

During fiscal year 2010, the capital projects fund (a nonmajor governmental fund) transferred \$425,360 to the classroom facilities maintenance fund (a nonmajor special revenue fund) to fund the mandatory annual maintenance set-aside in the classroom facilities maintenance fund.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

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

**NOTE 6 - PROPERTY TAXES**

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

The District receives property taxes from Richland, Crawford, Huron, Morrow, Ashland, Wyandot, Seneca and Marion Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$957,825 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2009 was \$1,093,653 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,132,803,100	93.81	\$ 2,142,480,180	96.21
Public utility personal	84,571,930	3.72	84,487,990	3.79
Tangible personal property	<u>56,227,706</u>	<u>2.47</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,273,602,736</u>	<u>100.00</u>	<u>\$ 2,226,968,170</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$4.70		\$3.70	

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 7 - RECEIVABLES**

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

**Governmental activities:**

Taxes	\$ 4,332,832
Accounts	138,577
Intergovernmental	9,901,881
Accrued interest	<u>230,805</u>
Total	<u>\$ 14,604,095</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year with the exception of the \$9,864,616 OSFC receivable which is expected to be collected over the remainder of the project.

**NOTE 8 - CAPITAL ASSETS**

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

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2010</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Construction in progress	<u>916,886</u>	<u>6,948,604</u>	<u>-</u>	<u>7,865,490</u>
Total capital assets, not being depreciated	<u>941,886</u>	<u>6,948,604</u>	<u>-</u>	<u>7,890,490</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	4,070,475	-	-	4,070,475
Furniture and equipment	3,591,598	414,820	(54,916)	3,951,502
Vehicles	<u>449,521</u>	<u>-</u>	<u>-</u>	<u>449,521</u>
Total capital assets, being depreciated	<u>8,111,594</u>	<u>414,820</u>	<u>(54,916)</u>	<u>8,471,498</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(3,317,149)	(81,889)	-	(3,399,038)
Furniture and equipment	(2,004,716)	(245,536)	39,875	(2,210,377)
Vehicles	<u>(243,275)</u>	<u>(50,888)</u>	<u>-</u>	<u>(294,163)</u>
Total accumulated depreciation	<u>(5,565,140)</u>	<u>(378,313)</u>	<u>39,875</u>	<u>(5,903,578)</u>
Governmental activities capital assets, net	<u>\$ 3,488,340</u>	<u>\$ 6,985,111</u>	<u>\$ (15,041)</u>	<u>\$ 10,458,410</u>

Depreciation expense was charged to governmental functions as follows:

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 8 - CAPITAL ASSETS - (Continued)**

<u>Instruction:</u>	
Regular	\$ 9,643
Special	2,038
Vocational	193,945
 <u>Support services:</u>	
Pupil	1,798
Instructional staff	3,166
Administration	22,629
Fiscal	224
Business	433
Operations and maintenance	55,239
Central	71,456
Food service operations	12,635
Extracurricular activities	<u>5,107</u>
 Total depreciation expense	 <u>\$ 378,313</u>

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

In the current fiscal year and in previous fiscal years the District entered into capitalized leases for copiers and a postage machine. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statement.

Capital assets consisting of copiers and a postage mail machine have been capitalized in the amount of \$206,236. This amount represents the present value of the minimum lease payments at the time of acquisition. As of June 30, 2010 accumulated depreciation was \$88,481, resulting in a net carrying value of \$117,755. Copiers in the amount of \$2,983 have not been capitalized since the assets individually do not meet the District’s capitalization threshold. A liability is recorded in the government-wide financial statements equal to the present value of the future minimum lease payments. Principal payments in fiscal year 2010 totaled \$39,235 paid by the general fund.

In addition to the amount of principal retired, the District also traded in a lease with a principal balance of \$5,303, which is included in general expenditures.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2010:

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)**

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 41,463
2012	37,810
2013	31,020
2014	5,358
2015	<u>446</u>
Total minimum lease payments	116,097
Less: amount representing interest	<u>(15,356)</u>
Total	<u>\$100,741</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A. In prior fiscal years, the District issued energy conservation bonds to provide for energy improvements to various District buildings. The primary source of repayment of these bonds is through energy savings as a result of the improvements. Principal payments are made from the general fund.

The following is a description of the District's energy conservation bonds outstanding as of June 30, 2010:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance July 1, 2009</u>	<u>Retired in 2010</u>	<u>Balance June 30, 2010</u>
Energy conservation bonds	5.51%	08/01/00	12/01/15	\$ 390,000	\$(45,000)	\$ 345,000

Principal and interest requirements to retire energy conservation bonds at June 30, 2010, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal on Bonds</u>	<u>Interest on Bonds</u>	<u>Total</u>
2011	\$ 50,000	\$ 18,174	\$ 68,174
2012	55,000	15,311	70,311
2013	55,000	12,259	67,259
2014	60,000	9,009	69,009
2015	60,000	5,559	65,559
2016	<u>65,000</u>	<u>1,909</u>	<u>66,909</u>
Total	<u>\$ 345,000</u>	<u>\$ 62,221</u>	<u>\$ 407,221</u>

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

- B.** On August 21, 2008, the District issued \$11,970,000 in certificates of participation (“COPs”) to finance the acquisition, construction, installation and improvement of District facilities. The certificates bear interest rates ranging from 3.00% to 5.125%. Interest payments on the certificates are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 31, 2036. The District had \$5,418,555 in unspent proceeds at June 30, 2010.

Principal and interest requirements to retire the COPs at June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Principal on COPs	Interest on COPs	Total
2011	\$ 225,000	\$ 549,762	\$ 774,762
2012	235,000	542,569	777,569
2013	240,000	534,850	774,850
2014	250,000	526,575	776,575
2015	260,000	517,000	777,000
2016 - 2020	1,455,000	2,417,506	3,872,506
2021 - 2025	1,785,000	2,072,016	3,857,016
2026 - 2030	2,260,000	1,587,533	3,847,533
2031 - 2035	2,885,000	936,466	3,821,466
2036 - 2037	<u>2,155,000</u>	<u>131,328</u>	<u>2,286,328</u>
Total	<u>\$ 11,750,000</u>	<u>\$ 9,815,605</u>	<u>\$ 21,565,605</u>

- C.** The District’s long-term obligations during the year consist of the following:

	Balance Outstanding July 1, 2009	Additions	Reductions	Balance Outstanding June 30, 2010	Amounts Due in One Year
<b>Governmental activities:</b>					
Energy conservation bonds	\$ 390,000	\$ -	\$ (45,000)	\$ 345,000	\$ 50,000
Certificates of participation	11,970,000	-	(220,000)	11,750,000	225,000
Capital lease obligations	124,609	20,670	(44,538)	100,741	33,555
Pollution remediation	131,222	46,906	(131,222)	46,906	46,906
Compensated absences	<u>1,606,728</u>	<u>114,277</u>	<u>(237,538)</u>	<u>1,483,467</u>	<u>373,196</u>
Total long-term obligations, governmental activities	<u>\$ 14,222,559</u>	<u>\$ 181,853</u>	<u>\$ (678,298)</u>	13,726,114	<u>\$ 728,657</u>
Less: Unamortized discount				<u>(185,437)</u>	
Total per statement of net assets				<u>\$ 13,540,677</u>	

Compensated absences will be paid from the fund from which the employee is paid, which for the District is primarily the general fund.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The pollution remediation obligation consists of a liability for asbestos removal in the District's building, which is being undertaken as part of an Ohio School Facilities Commission renovation project. The entire liability of \$46,906 is reported as a current liability in the classroom facilities fund.

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$189,431,539 (including available funds of \$784,686), an unvoted debt margin of \$2,226,632 and an unvoted energy conservation debt margin of \$19,694,685.

**NOTE 11 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, error and omissions, injuries to employees and natural disasters. The District contracted with the Schools of Ohio Risk Sharing Authority (SORSA) general liability, school board legal liability, employee benefits liability, auto liability, property, and crime coverages. Commercial general liability has a \$6,000,000 per occurrence, \$8,000,000 aggregate limit. Boiler and machinery coverage was provided by (SORSA) in the amount of \$50,000,000. Crime coverage is also provided with a limit of \$100,000 for public employee dishonesty, forgery, computer fraud and money and securities.

Vehicles are covered by (SORSA) and carry an Actual Cash Value (ACV) physical damage. Automobile liability has a \$550,153 combined single limit of liability. The aforementioned umbrella policy is above the auto as well.

School leader's errors and omissions policy is provided by (SORSA) in the amount of \$6,000,000 per occurrence, \$6,000,000 aggregate limit, with a \$2,500 deductible for each wrongful act.

The District provides \$40,000 and 2.5 times their salary in life insurance and accidental death and dismemberment insurance to its general employees and to its administrators, respectively, through Madison National Life Insurance.

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 11 - RISK MANAGEMENT - (Continued)**

**B. Employee Health**

The District has elected to provide employee medical/surgical benefits through a self-insured program. The District maintains a self-insurance Internal Service fund to account for and finance its uninsured risk of loss in this program. This plan provides a medical/surgical plan, with a \$150 single and \$300 family deductible per year. The plan also provides dental care. A third-party administrator, Employee Benefits Management Corporation, reviews and pays all claims. The administrator purchases stop-loss coverage of \$35,000 per employee. The District pays into the self-insurance Internal Service fund \$1,249 for family coverage and \$636 for individual coverage per employee per month, which represents the entire premium required. This premium is paid by the fund that pays the salary for the employee and is based on historical cost information.

The claims liability of \$263,151 reported in the fund at June 30, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. Changes in the fund's claims liability for fiscal year 2010 and the prior fiscal year follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$ 186,044	\$ 2,572,012	\$ (2,494,905)	\$ 263,151
2009	284,738	2,009,181	(2,107,875)	186,044

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the District.

**C. Workers' Compensation**

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 12 - PENSION PLANS**

**A. School Employees Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$328,961, \$230,450 and \$217,199, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

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

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 12 - PENSION PLANS - (Continued)**

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$1,109,374, \$1,122,335 and \$1,026,341, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$50,951 made by the District and \$36,394 made by the plan members.

**C. Social Security System**

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

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$62,633, \$153,368 and \$144,620, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$19,563, \$19,014 and \$15,650, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$85,336, \$86,333 and \$78,949, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

<b>Net Change in Fund Balance</b>	<u>General fund</u>
Budget basis	\$ (251,382)
Net adjustment for revenue accruals	(127,766)
Net adjustment for expenditure accruals	(20,950)
Net adjustment for other sources/uses	142,698
Adjustment for encumbrances	<u>211,703</u>
GAAP basis	<u>\$ (45,697)</u>

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 15 - CONTINGENCIES - (Continued)**

**B. Litigation**

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

**NOTE 16 - STATUTORY RESERVES**

The District is required by State statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years.

During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	Textbooks/ Instructional Materials	Capital Acquisition
Set-aside balance as of June 30, 2009	\$ (2,546,554)	\$ (11,970,000)
Current year set-aside requirement	203,630	203,630
Qualifying disbursements	<u>(530,659)</u>	<u>(581,296)</u>
Total	<u>\$ (2,873,583)</u>	<u>\$ (12,347,666)</u>
Balance carried forward to fiscal year 2011	<u>\$ (2,873,583)</u>	<u>\$ (11,970,000)</u>

The District had qualifying disbursements during the year that reduced the textbooks/instructional materials set-aside amount below zero; this extra amount is being carried forward to reduce the set-aside requirements of future years.

The District issued certificates of participation during a prior fiscal year to finance renovations made to the District's building and this amount may be used to reduce the capital acquisition set-aside requirement. The excess qualifying disbursements may not be carried forward to future years.

**PIONEER CAREER AND TECHNOLOGY CENTER  
RICHLAND COUNTY, OHIO**

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

**NOTE 17 - CONTRACTUAL COMMITMENTS**

As a result of the OSFC Project that was in progress at June 30, 2010, the District had the following outstanding contractual commitments at fiscal year end:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Kleingers & Associates	\$ 5,260	\$ (2,104)	\$ 3,156
Lawhon & Associates, Inc.	25,303	(3,757)	21,546
Gandee & Associates, Inc.	85,469	(49,934)	35,535
Central Ohio Associates	8,000	(3,000)	5,000
Carter Lumber	23,000	(12,456)	10,544
Continental Office	12,123	-	12,123
Four Seasons Environmental, Inc.	161,700	(22,719)	138,981
Key Blue Prints	63,820	(49,775)	14,045
BCU Electric	885,870	(846,692)	39,178
Gutridge Plumbing, Inc.	290,969	(278,011)	12,958
Jeffrey Carr Construction, Inc.	1,145,712	(1,082,107)	63,605
JF Bernard, Inc.	561,495	(290,821)	270,674
S.A. Communale	<u>58,778</u>	<u>(34,413)</u>	<u>24,365</u>
Total Contractual Commitments	<u>\$ 3,327,499</u>	<u>\$ (2,675,789)</u>	<u>\$ 651,710</u>

**PIONEER CAREER AND TECHNOLOGY CENTER:  
A VOCATIONAL SCHOOL DISTRICT  
RICHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed through the Ohio Department of Education:</i>						
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	2009	10.553	\$30,764		\$30,764	
National School Lunch Program	2009	10.555	134,859	\$12,453	134,859	\$12,453
Total Child Nutrition Cluster			<u>165,623</u>	<u>12,453</u>	<u>165,623</u>	<u>12,453</u>
Total U.S. Department of Agriculture			<u>165,623</u>	<u>12,453</u>	<u>165,623</u>	<u>12,453</u>
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>						
<i>Direct Program:</i>						
Grants to States	2009	45.310	4,633		23,434	
	2010		0		93,083	
Total Grants to States			<u>4,633</u>		<u>116,517</u>	
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Direct Program:</i>						
Federal Pell Grant Program	N/A	84.063	73,235		73,235	
<i>Passed through the Ohio Department of Education:</i>						
Adult Education_State Grant Program	2009	84.002	6,053		6,053	
Vocational Education_Basic Grants to States	2009	84.048	1,813		437	
	2010		4,674		4,715	
	2009		18,920		5,056	
	2010		312,102		312,102	
<i>Passed through the Madison Local School District:</i>						
Vocational Education_Basic Grants to States	2010	84.048	26,537		26,537	
Total Vocational Education_Basic Grants to States			<u>364,046</u>		<u>348,847</u>	
<i>Passed through the Ohio Department of Education:</i>						
Safe and Drug-Free Schools and Communities_State Grants	2010	84.186	4,399		4,399	
Improving Teacher Quality State Grants	2009	84.367	2,846		758	
	2010		2,658		5,561	
Total Improving Teacher Quality State Grants			<u>5,504</u>		<u>6,319</u>	
Total U.S. Department of Education			<u>453,237</u>		<u>438,853</u>	
<b>Totals</b>			<b><u>\$623,493</u></b>	<b><u>\$12,453</u></b>	<b><u>\$720,993</u></b>	<b><u>\$12,453</u></b>

*The Notes to the Federal Awards Receipts and Expenditures Schedule are an integral part of this schedule.*

**PIONEER CAREER AND TECHNOLOGY CENTER:  
A VOCATIONAL SCHOOL DISTRICT  
RICHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



# Mary Taylor, CPA

Auditor of State

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

Pioneer Career and Technology Center:  
A Vocational School District  
Richland County  
27 Ryan Road  
Shelby, Ohio 44875

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pioneer Career and Technology Center: A Vocational School District, Richland County, Ohio, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-002 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

We also noted certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 3, 2010.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, the Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

December 3, 2010



# Mary Taylor, CPA

Auditor of State

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

Pioneer Career and Technology Center:  
A Vocational School District  
Richland County  
27 Ryan Road  
Shelby, Ohio 44875

To the Board of Education:

### Compliance

We have audited the compliance of Pioneer Career and Technology Center: A Vocational School District, Richland County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Pioneer Career and Technology Center complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2010.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

We intend this report solely for the information and use of the audit committee, management, the Board of Education, others within the District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

December 3, 2010

**PIONEER CAREER AND TECHNOLOGY CENTER:  
A VOCATIONAL SCHOOL DISTRICT  
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2010**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA # 84.048 – Vocational Education_Basic Grants to States
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**1. Ohio Rev. Code 5705.41(D)**

<i>Finding Number</i>	2010-001
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NONCOMPLIANCE

**Ohio Rev. Code Section 5705.41(D)** requires no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision’s fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now” Certificate – If the fiscal officer can certify both at the time the contract or order was made (“then”), and at the time the fiscal officer is completing the certification (“now”), sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

**1. Ohio Rev. Code 5705.41(D) (continued)**

<i>Finding Number</i>	2010-001
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Ten of the thirty-nine expenditures tested (25.6%) were not certified by the Treasurer prior to the purchase commitment being made. It was also found none of the three exceptions above were utilized for the items found to be in non-compliance. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure purchase commitments receive prior approval. To improve control over disbursements and to help reduce the possibility of the Center's funds exceeding budgetary spending limitations, the Treasurer should certify the funds are or will be available prior to obligation by the Center. When prior certification is not possible, "then and now" certification should be used.

**Official's Response:** Seven of the certification citations were related to the OSFC renovation project which is outside of the normal approval process for processing payments to vendors. This project was new in 2009 and we were still in the process of establishing procedures for purchase orders and payments. We are continuing to monitor the process for payment of invoices for the project due to the complex nature of the contracts and agreements. The invoices for payments for substitutes at our Satellite schools are not received until after the service has been performed. Once again this is outside of our normal substitute payment through payroll and was an oversight. We will set up estimated purchase orders for these schools to eliminate this.

**2. Financial Statement Errors**

<i>Finding Number</i>	2010-002
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MATERIAL WEAKNESS

The following items were noted during the testing of the Financial Statements:

- The Classroom Facilities and Building Funds' contracts payable were understated \$1,027,416 and \$122,076, respectively, due to the exclusion of certain contract payments made after year-end for fiscal year 2010 services. These amounts were adjusted on the financial statements.
- Capital Assets construction in progress was understated \$1,149,492 due to the exclusion of the contracts payable amounts noted in the first bullet point. This amount was adjusted on the financial statements.

Management should review the draft GAAP journal entries and financial statements to help ensure they are supported by sufficient and accurate documentation, free of obvious errors and omissions, and consistent with their financial expectations. These procedures should help avoid financial statement errors and help ensure more accurate financial reporting.

**Official's Response:** Regarding the understatement of contracts payable, in the future management will review payments made from construction project funds after fiscal year end to ensure any payments made relating to prior fiscal year services are being picked up on reports utilized from the District's system to determine accounts/contracts payable. Possible payables will be reviewed by construction managers to ensure the payments or portions of payments specifically related to prior fiscal year services.

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

None

**PIONEER CAREER AND TECHNOLOGY CENTER:  
A VOCATIONAL SCHOOL DISTRICT  
RICHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2009-001	<b>Financial Statement Errors</b> – Several GAAP basis financial statement account errors were noted.	No	Not Corrected – A similar comment was repeated as Finding Number 2010-002.

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**Mary Taylor, CPA**  
Auditor of State

**PIONEER CAREER AND TECHNOLOGY CENTER**

**RICHLAND 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 4, 2011**

Dennis Long moved the adoption of the following resolution

**RESOLUTION NO. 02-12  
SUPPORT OF INNOVATION GRANT FOR THE NORTH CENTRAL STATE  
COLLEGE AND PIONEER ADULT EDUCATION PARTNERS**

**WHEREAS**, the Board of Education of the Pioneer Career and Technology Center (PCTC) and North Central State College (NCSC), have held discussions concerning the merger of the Adult Education and Workforce Development to achieve efficiency in delivery of specific services; **AND**

**WHEREAS**, we believe that the merger will result in the improved delivery of Adult Education and Workforce Development and will result in efficient and effective services at a savings over cost standards; **AND**

**WHEREAS**, we believe the merger will promote collaboration and shared services as well as projects that facilitate improved business environments and community attractions.

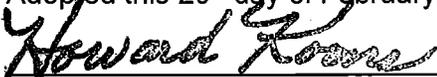
**WHEREAS**, feasibility studies have been completed concerning the implementation of the program, including cost benchmarking planning, management investigation and targeting services to be provided; **AND**

**WHEREAS**, Pioneer Career and Technology Center Adult Education and North Central State College have agreed to apply for grant monies through the Innovation Grant to offset costs involved with this merger;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Education of Pioneer Career and Technology Center to support the securing of the Innovation Grant for the North Central State College and Pioneer Adult Education Partnership.

Mary Jean Theaker seconded the motion

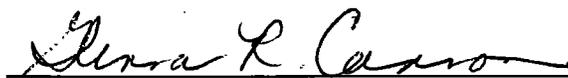
Adopted this 20<sup>th</sup> day of February, 2012



Pioneer Board President



Pioneer Treasurer



Pioneer Superintendent

**VOTE: Yeas;** Long, M. Theaker, Clutter, Dixon, Hope, Koons, Long, Stone, Showman, D. Theaker. **Nays;** none. **Motion carried.**

Glenna R. Cannon  
Superintendent

James M. Grubbs, Jr.  
Director of Business Affairs

Jerry A. Payne  
Treasurer

# Local Government Innovation Fund Program

*Application Score* £ £

<b>Lead Applicant</b>	
<b>Project Name</b>	

	<b>Grant Application</b>
--	--------------------------

**or**

	<b>Loan Application</b>
--	-------------------------

The Local Government Innovation Fund Council  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001  
(614) 995-2292

## Local Government Innovation Fund Project Scoring Sheet

### Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
<b>Financial Information</b>	<i>Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.</i>	Applicant provides a thorough, detailed and complete financial information	<b>5</b>		
		Applicant provided more than minimum requirements but did not provide additional justification or support	<b>3</b>		
		Applicant provided minimal financial information	<b>1</b>		
			<b>Points</b>		
<b>Repayment Structure (Loan Only)</b>	<i>Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency rainy day , or contingency fund, etc.).</i>	Applicant clearly demonstrates a secondary repayment source.	<b>5</b>		
		Applicant does not have a secondary repayment source.	<b>0</b>		
			<b>Points</b>		
<b>Local Match</b>	<i>Percentage of local matching funds being contributed to the project. This may include in-kind contributions.</i>	70% or greater	<b>5</b>		
		40-69.99%	<b>3</b>		
		10-39.99%	<b>1</b>		
			<b>Points</b>		
<b>Total Section Points</b>					

### Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
<b>Population</b>	<i>Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the <b>smallest</b> population listed in the application. Applications from (or collaborating with) small communities are preferred.</i>	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	<b>5</b>		
		Applicant (or collaborative partner) is a county but has less than 235,000	<b>5</b>		
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	<b>3</b>		
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	<b>3</b>		
			<b>Points</b>		
<b>Participating Entities</b>	<i>Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)</i>	More than one applicant	<b>5</b>		
		Single applicant	<b>1</b>		
			<b>Points</b>		
<b>Total Section Points</b>					

## Local Government Innovation Fund Project Scoring Sheet

### Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance ) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:	75% or greater	30		
		25.01% to 74.99%	20		
		Less than 25%	10		
			<b>Points</b>		
Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	Yes	5		
		No	0		
			<b>Points</b>		
Scalable/Replicable Proposal	Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.	The project is both scalable and replicable	10		
		The project is either scalable or replicable	5		
		Does not apply	0		
			<b>Points</b>		
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	Provided	5		
		Not Provided	0		
			<b>Points</b>		
<b>Total Section Points</b>					

### Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	Project implements a recommendation from an audit or is informed by benchmarking	5		
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0		
			<b>Points</b>		
Economic Impact	Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)	Applicant clearly demonstrates economic impact	5		
		Applicant mentions but does not prove economic impact	3		
		Applicant does not demonstrate an economic impact	0		
			<b>Points</b>		
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	Yes	5		
		No	0		
			<b>Points</b>		
<b>Total Section Points</b>					

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	<b>The Applicant Does Not Fill Out This Section;</b> This is for the Local Government Innovation Fund Council only. The points for this section is based on the applicant demonstrating innovation or inventiveness with the project	
<b>Total Section Points (10max)</b>			

Scoring Summary			
		Applicant Self Score	Validated Score
Section 1: Financing Measures			
Section 2: Collaborative Measures			
Section 3: Success Measures			
Section 4: Significance Measures			
<b>Total Base Points:</b>			

**Reviewer Comments**



April 2, 2012

Glenna Cannon  
Pioneer Career & Technology Center  
27 Ryan Road  
Shelby, Ohio 44875

RE: Application Cure Letter

Dear Glenna Cannon:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on April 30, 2012.** Please send the response in a single email to [lgif@development.ohio.gov](mailto:lgif@development.ohio.gov) and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at [lgif@development.ohio.gov](mailto:lgif@development.ohio.gov) or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP  
Deputy Chief, Office of Redevelopment  
Ohio Department of Development

## Local Government Innovation Fund Completeness Review

**Applicant:** Pioneer CTC  
**Project Name:** Workforce Development Partnership  
**Request Type:** Grant

### Issues for Response

#### 1. Funding Uses

The use(s) of funds, as listed, are ineligible for grant funding under program guidelines. LGIF grant funding may only be used for soft costs such as feasibility studies, process implementation, cost benchmarking, planning or a management investigation targeting service (or services) provided (or to be provided) by the applicant(s). Hard costs, such as demonstration projects, that implement recommendation(s) of a feasibility study or a performance audit or identify the project using a specific approach for a more efficient alternative are eligible for loan funding.

Please revise the uses of funds according to the program guidelines. If your project is an eligible loan project and you applied for grant funding, you may update your project budget and program description for loan consideration.

#### 2. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

##### *Example:*

##### **Collaboration Village's Project Budget**

###### **Sources of Funds**

LGIF Request	\$100,000
Match Contribution (11%)	\$ 11,111
<hr/>	
Total	\$111,111

###### **Uses of Funds**

Consultant Fees for Study	\$111,111
<hr/>	
Total	\$111,111

**Total Project Cost: \$111,111**

#### 3. Match

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

**4. Population Information and Documentation**

Please provide documentation supporting population information provided using the 2010 U.S. Census. To access census information, you may visit the following website <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

**5. Resolutions of Support**

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

**6. Partnership Agreements**

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners; 2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

## Local Government Innovation Fund Completeness Review

Applicant: Pioneer CTC

Project Name: Workforce Development Partnership

Request Type: Grant

### Responses to Issues Raised

1. Grant funds will be used for soft costs including planning and management investigation targeting service and paying consultant for feasibility study. A new director will be hired for the Workforce Development Partnership with the bulk of his/her first-year responsibilities (projected at 65%) devoted to planning and researching opportunities for the partnership to serve the training needs of area employers. Thus in the attached budget, 65 % of the director's salary and benefits are labeled as soft costs. Some existing staff members at Pioneer CTC and North Central State College also will devote a portion of their time to these duties in a supporting role, so a lesser percentage of their salaries and benefits are also labeled as soft costs.

As stated in the executive director's job description:

#### **Essential duties/responsibilities include but are not limited to the following:**

- **Understand** the assets of both North Central State College and Pioneer Career and Technology Center and leverage these to support training for individuals and regional businesses.
- **Plan** and oversee operational functions of corporate & industry training.
- **Develop** non-credit training opportunities supporting manufacturing, health care, service and retail businesses.
- Effectively **assemble** and utilize stake-holder advisory groups.
- **Build** effective collaborative relations with other area Career Centers and training opportunities.
- **Develop** and implement processes of continuous evaluation and improvement in relation to hiring, programming and outcomes.
- **Sustain** and build the programs already running effectively at each of the partner institutions which are currently part of their adult education and work force training.

Of the seven listed duties, each contains a significant planning/development theme. Consequently, as this is a new endeavor requiring the development of a new program we estimate that 65% of the Executive Director's time during the first year will be directly related to either assessing workforce needs or planning for meeting those needs. The remaining 35% will involve tasks related to staffing, implementing and managing.

The attached budget sheet:

- a. Lists the salary plus benefits of the Executive Director at \$89,000. The 65% of \$89,000 in soft costs would equal \$57,850.

b. Lists the salary plus benefits of one PCTC employee and one NCSC employee already on staff. We anticipate that 15% of their time will be used in planning with the new Executive Director. This totals \$20,700.

c. A strategy consultant, Mr. Thomas Applegate, who is also executive director of the Ohio Association of Career-Technical Superintendents, will be employed with his estimated fee for the first year at \$20,000, also included in the projected budget.

d. A significant portion of first-year travel costs are expected to directly relate to planning and feasibility investigations. These are estimated at \$10,000.

2. Budget -- see attached revised budget.
3. Match -- A previous workforce director at North Central State College, Nancy Kukay, began the process of investigating the feasibility for the Workforce Development Partnership. A corporate training consultant, Kathy Hamilton, was also employed by North Central State College as part of the initial investigation work toward creating the Workforce Development Partnership. The salaries for these two positions for the previous two years total \$224,137, which more than exceeds the 10 % in-kind match required.
4. See attached Census documents for counties listed  
The area served by the project will be Richland, Crawford, Huron, Morrow and Ashland counties, which have a total population according to the 2010 Census of 315,851 (124,475 Richland), (43,784 Crawford), (59,626 Huron), (34,827 Morrow), (53,139 Ashland).  
Richland County -- <http://quickfacts.census.gov/qfd/states/39/39139.html>  
Crawford County -- <http://quickfacts.census.gov/qfd/states/39/39033.html>  
Huron County -- <http://quickfacts.census.gov/qfd/states/39/39077.html>  
Morrow County -- <http://quickfacts.census.gov/qfd/states/39/39117.html>  
Ashland County -- <http://quickfacts.census.gov/qfd/states/39/39005.html>
5. Resolution of Support from North Central State Board of Trustees attached
6. Partnership agreement attached.

PCTC/NCSC Workforce Partnerships  
Budget Projections 2012-2015

1                      2                      3 year 1 % soft

**Sources of Funding**

LGIF Grant	\$100,000			
Program Revenue	\$100,000	\$200,000	\$325,000	
Grants		\$25,000	\$25,000	
Consortium Fees		\$12,000	\$24,000	
<b>Total Revenue</b>	<b>\$200,000</b>	<b>\$237,000</b>	<b>\$374,000</b>	

**Uses of Combined Funds**

**Staffing**

New Director	\$70,000	\$72,000	\$74,000	65% soft
Benefits	\$19,000	\$20,000	\$21,000	65% soft
PCTC Existing staff	\$60,000	\$61,000	\$62,000	15% soft
Benefits	\$12,000	\$12,500	\$13,000	15% soft
NCSC Existing staff	\$55,000	\$56,000	\$57,000	15% soft
Benefits	\$11,000	\$11,000	\$12,000	15% soft
Trainers	\$30,000	\$32,000	\$33,000	
<b>sub total</b>	<b>\$257,000</b>	<b>\$264,500</b>	<b>\$272,000</b>	

**Operations**

Travel (Planning/Service)	\$20,000	\$10,000	\$10,000	50% soft
Marketing	\$30,000	\$30,000	\$30,000	
Office Technology/Supplies	\$10,000	\$10,000	\$10,000	
Consultants (Strategy Consultant)	\$20,000			100 % soft
<b>sub total</b>	<b>\$80,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	

**Total Expenses                      \$337,000      \$314,500      \$322,000**

**Profit/Loss                      (\$137,000)      (\$77,500)      \$52,000**

PCTC Contribution/Distribution	-\$68,500	-\$38,750	\$26,000	
NCSC Contribution/Distribution	-\$68,500	-\$38,750	\$26,000	
<b>Partner Contributions/Earnings</b>	<b>-\$137,000</b>	<b>-\$77,500</b>	<b>\$52,000</b>	



North Central State College

February 29, 2012

To Whom It May Concern:

This shall serve as confirmation of the amount budgeted for salary and benefits for the positions of Workforce Director and Corporate Training Consultant in the Workforce department:

Workforce Director (Nancy Kukay)

- FY 10 (7/1/09 – 6/30/10) \$73,606.60
- FY 11 (7/1/10 – 6/30/11) \$75,841.39

Corporate Training Consultant (Kathy Hamilton)

- FY 10 (7/1/09 – 6/30/10) \$36,779.54
- FY 11 (7/1/10 – 6/30/11) \$37,909.47

Doug Hanuscin  
Director, Human Resources

Subscribed and sworn to before me this 29<sup>th</sup> day of February, 2012.



STEPHEN R. WILLIAMS  
NOTARY PUBLIC  
STATE OF OHIO  
Recorded in  
Ashland County  
My Comm. Exp 6/27/13

2441 Kenwood Circle  
PO Box 698  
Mansfield, OH 44901  
419.755.4800  
888.755.4899

## State &amp; County QuickFacts

**Richland County, Ohio**

<b>People QuickFacts</b>	<b>Richland County</b>	<b>Ohio</b>
Population, 2011 estimate	NA	11,544,951
Population, 2010	124,475	11,536,504
Population, percent change, 2000 to 2010	-3.4%	1.6%
Population, 2000	128,852	11,353,140
Persons under 5 years, percent, 2010	6.0%	6.2%
Persons under 18 years, percent, 2010	22.5%	23.7%
Persons 65 years and over, percent, 2010	16.3%	14.1%
Female persons, percent, 2010	49.4%	51.2%
White persons, percent, 2010 (a)	87.5%	82.7%
Black persons, percent, 2010 (a)	9.4%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	0.2%
Asian persons, percent, 2010 (a)	0.6%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	Z
Persons reporting two or more races, percent, 2010	1.9%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.4%	3.1%
White persons not Hispanic, percent, 2010	86.5%	81.1%
Living in same house 1 year & over, 2006-2010	84.0%	85.0%
Foreign born persons, percent, 2006-2010	1.8%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	3.9%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	84.3%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	14.9%	24.1%
Veterans, 2006-2010	12,370	936,383
Mean travel time to work (minutes), workers age 16+, 2006-2010	20.6	22.7
Housing units, 2010	54,599	5,127,508
Homeownership rate, 2006-2010	71.2%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	18.9%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$112,200	\$136,400
Households, 2006-2010	48,557	4,552,270
Persons per household, 2006-2010	2.45	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$21,459	\$25,113
Median household income 2006-2010	\$42,664	\$47,358
Persons below poverty level, percent, 2006-2010	12.4%	14.2%
<b>Business QuickFacts</b>	<b>Richland County</b>	<b>Ohio</b>
Private nonfarm establishments, 2009	2,798	256,551 <sup>1</sup>
Private nonfarm employment, 2009	43,964	4,460,553 <sup>1</sup>
Private nonfarm employment, percent change 2000-2009	-15.1%	-10.8% <sup>1</sup>
Nonemployer establishments, 2009	6,495	697,000
Total number of firms, 2007	9,596	897,939
Black-owned firms, percent, 2007	2.2%	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.3%
Asian-owned firms, percent, 2007	2.2%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	S	1.1%

Women-owned firms, percent, 2007	25.2%	27.7%
Manufacturers shipments, 2007 (\$1000)	3,563,738	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	1,010,587	135,575,279
Retail sales, 2007 (\$1000)	1,489,514	138,816,008
Retail sales per capita, 2007	\$11,818	\$12,049
Accommodation and food services sales, 2007 (\$1000)	178,875	17,779,905
Building permits, 2010	45	13,710
Federal spending, 2009	917,920	105,173,413 <sup>1</sup>
<b>Geography QuickFacts</b>	<b>Richland County</b>	<b>Ohio</b>
Land area in square miles, 2010	495.27	40,860.69
Persons per square mile, 2010	251.3	282.3
FIPS Code	139	39
Metropolitan or Micropolitan Statistical Area	Mansfield, OH Metro Area	

1: Includes data not distributed by county.

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Last Revised: Tuesday, 31-Jan-2012 16:56:00 EST

## State &amp; County QuickFacts

**Crawford County, Ohio**

<b>People QuickFacts</b>	<b>Crawford County</b>	<b>Ohio</b>
Population, 2011 estimate	NA	11,544,951
Population, 2010	43,784	11,536,504
Population, percent change, 2000 to 2010	-6.8%	1.6%
Population, 2000	46,966	11,353,140
Persons under 5 years, percent, 2010	5.8%	6.2%
Persons under 18 years, percent, 2010	23.1%	23.7%
Persons 65 years and over, percent, 2010	17.8%	14.1%
Female persons, percent, 2010	51.4%	51.2%
White persons, percent, 2010 (a)	97.2%	82.7%
Black persons, percent, 2010 (a)	0.9%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.1%	0.2%
Asian persons, percent, 2010 (a)	0.4%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	Z
Persons reporting two or more races, percent, 2010	1.1%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.2%	3.1%
White persons not Hispanic, percent, 2010	96.4%	81.1%
Living in same house 1 year & over, 2006-2010	82.8%	85.0%
Foreign born persons, percent, 2006-2010	0.9%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	2.2%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	85.8%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	10.5%	24.1%
Veterans, 2006-2010	4,166	936,383
Mean travel time to work (minutes), workers age 16+, 2006-2010	21.5	22.7
Housing units, 2010	20,167	5,127,508
Homeownership rate, 2006-2010	72.9%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	15.0%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$93,800	\$136,400
Households, 2006-2010	18,105	4,552,270
Persons per household, 2006-2010	2.41	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$20,590	\$25,113
Median household income 2006-2010	\$41,228	\$47,358
Persons below poverty level, percent, 2006-2010	13.0%	14.2%
<b>Business QuickFacts</b>	<b>Crawford County</b>	<b>Ohio</b>
Private nonfarm establishments, 2009	883	256,551 <sup>1</sup>
Private nonfarm employment, 2009	12,007	4,460,553 <sup>1</sup>
Private nonfarm employment, percent change 2000-2009	-27.7%	-10.8% <sup>1</sup>
Nonemployer establishments, 2009	2,234	697,000
Total number of firms, 2007	2,788	897,939
Black-owned firms, percent, 2007	F	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.3%
Asian-owned firms, percent, 2007	F	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%

Women-owned firms, percent, 2007	23.8%	27.7%
Manufacturers shipments, 2007 (\$1000)	1,470,863	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	D	135,575,279
Retail sales, 2007 (\$1000)	338,651	138,816,008
Retail sales per capita, 2007	\$7,671	\$12,049
Accommodation and food services sales, 2007 (\$1000)	39,099	17,779,905
Building permits, 2010	12	13,710
Federal spending, 2009	346,554	105,173,413 <sup>1</sup>
<b>Geography QuickFacts</b>	<b>Crawford County</b>	<b>Ohio</b>
Land area in square miles, 2010	401.79	40,860.69
Persons per square mile, 2010	109.0	282.3
FIPS Code	033	39
Metropolitan or Micropolitan Statistical Area	Bucyrus, OH Micro Area	

1: Includes data not distributed by county.

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

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X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Last Revised: Tuesday, 31-Jan-2012 16:55:47 EST

## State &amp; County QuickFacts

**Huron County, Ohio**

<b>People QuickFacts</b>	<b>Huron County</b>	<b>Ohio</b>
Population, 2011 estimate	NA	11,544,951
Population, 2010	59,626	11,536,504
Population, percent change, 2000 to 2010	0.2%	1.6%
Population, 2000	59,487	11,353,140
Persons under 5 years, percent, 2010	6.8%	6.2%
Persons under 18 years, percent, 2010	26.3%	23.7%
Persons 65 years and over, percent, 2010	13.6%	14.1%
Female persons, percent, 2010	50.7%	51.2%
White persons, percent, 2010 (a)	94.9%	82.7%
Black persons, percent, 2010 (a)	1.0%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	0.2%
Asian persons, percent, 2010 (a)	0.3%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.0%	Z
Persons reporting two or more races, percent, 2010	1.6%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	5.6%	3.1%
White persons not Hispanic, percent, 2010	91.7%	81.1%
Living in same house 1 year & over, 2006-2010	85.6%	85.0%
Foreign born persons, percent, 2006-2010	3.1%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	5.6%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	86.4%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	12.1%	24.1%
Veterans, 2006-2010	5,010	936,383
Mean travel time to work (minutes), workers age 16+, 2006-2010	21.7	22.7
Housing units, 2010	25,196	5,127,508
Homeownership rate, 2006-2010	74.6%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	16.2%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$121,500	\$136,400
Households, 2006-2010	22,972	4,552,270
Persons per household, 2006-2010	2.57	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$21,743	\$25,113
Median household income 2006-2010	\$47,058	\$47,358
Persons below poverty level, percent, 2006-2010	14.5%	14.2%
<b>Business QuickFacts</b>	<b>Huron County</b>	<b>Ohio</b>
Private nonfarm establishments, 2009	1,213	256,551 <sup>1</sup>
Private nonfarm employment, 2009	18,659	4,460,553 <sup>1</sup>
Private nonfarm employment, percent change 2000-2009	-19.0%	-10.8% <sup>1</sup>
Nonemployer establishments, 2009	2,897	697,000
Total number of firms, 2007	4,106	897,939
Black-owned firms, percent, 2007	F	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.3%
Asian-owned firms, percent, 2007	F	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	S	1.1%

Women-owned firms, percent, 2007	30.5%	27.7%
Manufacturers shipments, 2007 (\$1000)	2,375,769	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	D	135,575,279
Retail sales, 2007 (\$1000)	550,255	138,816,008
Retail sales per capita, 2007	\$9,166	\$12,049
Accommodation and food services sales, 2007 (\$1000)	51,687	17,779,905
Building permits, 2010	35	13,710
Federal spending, 2009	404,602	105,173,413 <sup>1</sup>

<b>Geography QuickFacts</b>	<b>Huron County</b>	<b>Ohio</b>
Land area in square miles, 2010	491.50	40,860.69
Persons per square mile, 2010	121.3	282.3
FIPS Code	077	39
Metropolitan or Micropolitan Statistical Area	Norwalk, OH Micro Area	

1: Includes data not distributed by county.

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

- (a) Includes persons reporting only one race.
- (b) Hispanics may be of any race, so also are included in applicable race categories.

- D: Suppressed to avoid disclosure of confidential information
- F: Fewer than 100 firms
- FN: Footnote on this item for this area in place of data
- NA: Not available
- S: Suppressed; does not meet publication standards
- X: Not applicable
- Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report  
 Last Revised: Tuesday, 31-Jan-2012 16:55:52 EST

## State &amp; County QuickFacts

**Morrow County, Ohio**

<b>People QuickFacts</b>	<b>Morrow County</b>	<b>Ohio</b>
Population, 2011 estimate	NA	11,544,951
Population, 2010	34,827	11,536,504
Population, percent change, 2000 to 2010	10.1%	1.6%
Population, 2000	31,628	11,353,140
Persons under 5 years, percent, 2010	6.4%	6.2%
Persons under 18 years, percent, 2010	25.8%	23.7%
Persons 65 years and over, percent, 2010	13.4%	14.1%
Female persons, percent, 2010	49.9%	51.2%
White persons, percent, 2010 (a)	97.7%	82.7%
Black persons, percent, 2010 (a)	0.3%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.1%	0.2%
Asian persons, percent, 2010 (a)	0.3%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	Z
Persons reporting two or more races, percent, 2010	1.3%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.1%	3.1%
White persons not Hispanic, percent, 2010	97.0%	81.1%
Living in same house 1 year & over, 2006-2010	88.3%	85.0%
Foreign born persons, percent, 2006-2010	0.6%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	2.6%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	86.3%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	13.6%	24.1%
Veterans, 2006-2010	3,119	936,383
Mean travel time to work (minutes), workers age 16+, 2006-2010	30.5	22.7
Housing units, 2010	14,155	5,127,508
Homeownership rate, 2006-2010	82.1%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	6.2%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$131,300	\$136,400
Households, 2006-2010	13,037	4,552,270
Persons per household, 2006-2010	2.63	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$20,795	\$25,113
Median household income 2006-2010	\$49,891	\$47,358
Persons below poverty level, percent, 2006-2010	10.8%	14.2%
<b>Business QuickFacts</b>	<b>Morrow County</b>	<b>Ohio</b>
Private nonfarm establishments, 2009	389	256,551 <sup>1</sup>
Private nonfarm employment, 2009	3,803	4,460,553 <sup>1</sup>
Private nonfarm employment, percent change 2000-2009	-25.6%	-10.8% <sup>1</sup>
Nonemployer establishments, 2009	2,538	697,000
Total number of firms, 2007	2,739	897,939
Black-owned firms, percent, 2007	F	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.3%
Asian-owned firms, percent, 2007	S	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%

Women-owned firms, percent, 2007	21.5%	27.7%
Manufacturers shipments, 2007 (\$1000)	D	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	D	135,575,279
Retail sales, 2007 (\$1000)	167,878	138,816,008
Retail sales per capita, 2007	\$4,847	\$12,049
Accommodation and food services sales, 2007 (\$1000)	13,979	17,779,905
Building permits, 2010	33	13,710
Federal spending, 2009	150,651	105,173,413 <sup>1</sup>
<b>Geography QuickFacts</b>	<b>Morrow County</b>	<b>Ohio</b>
Land area in square miles, 2010	406.08	40,860.69
Persons per square mile, 2010	85.8	282.3
FIPS Code	117	39
Metropolitan or Micropolitan Statistical Area	Columbus, OH Metro Area	

1: Includes data not distributed by county.

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

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## State &amp; County QuickFacts

## Ashland County, Ohio

People QuickFacts	Ashland County	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	53,139	11,536,504
Population, percent change, 2000 to 2010	1.2%	1.6%
Population, 2000	52,523	11,353,140
Persons under 5 years, percent, 2010	6.2%	6.2%
Persons under 18 years, percent, 2010	23.9%	23.7%
Persons 65 years and over, percent, 2010	15.8%	14.1%
Female persons, percent, 2010	51.1%	51.2%
White persons, percent, 2010 (a)	97.3%	82.7%
Black persons, percent, 2010 (a)	0.7%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	0.2%
Asian persons, percent, 2010 (a)	0.5%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	Z
Persons reporting two or more races, percent, 2010	1.0%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	0.9%	3.1%
White persons not Hispanic, percent, 2010	96.6%	81.1%
Living in same house 1 year & over, 2006-2010	87.0%	85.0%
Foreign born persons, percent, 2006-2010	1.7%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	6.6%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	85.6%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	17.5%	24.1%
Veterans, 2006-2010	4,475	936,383
Mean travel time to work (minutes), workers age 16+, 2006-2010	21.8	22.7
Housing units, 2010	22,141	5,127,508
Homeownership rate, 2006-2010	78.8%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	12.0%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$128,500	\$136,400
Households, 2006-2010	20,040	4,552,270
Persons per household, 2006-2010	2.52	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$20,558	\$25,113
Median household income 2006-2010	\$44,542	\$47,358
Persons below poverty level, percent, 2006-2010	15.6%	14.2%
<b>Business QuickFacts</b>	<b>Ashland County</b>	<b>Ohio</b>
Private nonfarm establishments, 2009	1,055	256,551 <sup>1</sup>
Private nonfarm employment, 2009	16,037	4,460,553 <sup>1</sup>
Private nonfarm employment, percent change 2000-2009	-12.2%	-10.8% <sup>1</sup>
Nonemployer establishments, 2009	3,131	697,000
Total number of firms, 2007	3,508	897,939
Black-owned firms, percent, 2007	F	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.3%
Asian-owned firms, percent, 2007	1.0%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%

Women-owned firms, percent, 2007	19.9%	27.7%
Manufacturers shipments, 2007 (\$1000)	1,017,388	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	206,156	135,575,279
Retail sales, 2007 (\$1000)	418,627	138,816,008
Retail sales per capita, 2007	\$7,638	\$12,049
Accommodation and food services sales, 2007 (\$1000)	55,604	17,779,905
Building permits, 2010	40	13,710
Federal spending, 2009	284,657	105,173,413 <sup>1</sup>
<b>Geography QuickFacts</b>	<b>Ashland County</b>	<b>Ohio</b>
Land area in square miles, 2010	422.95	40,860.69
Persons per square mile, 2010	125.6	282.3
FIPS Code	005	39
Metropolitan or Micropolitan Statistical Area	Ashland, OH Micro Area	

1: Includes data not distributed by county.

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

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(b) Hispanics may be of any race, so also are included in applicable race categories.

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**CONSIDERATION OF APPROVAL OF  
SUPPORT OF INNOVATION GRANT FOR THE NORTH CENTRAL STATE COLLEGE  
AND PIONEER ADULT EDUCATION PARTNERS**

**R-2012-10**

**WHEREAS**, the Board of Education of the Pioneer Career and Technology Center (PCTC) and North Central State College (NCSC), have held discussions concerning the merger of the Adult Education and Workforce Development to achieve efficiency in delivery of specific services; and

**WHEREAS**, we believe that the merger will result in the improved delivery of Adult Education and Workforce Development and will result in efficient and effective services at a savings over cost standards; and

**WHEREAS**, we believe the merger will promote collaboration and shared services as well as projects that facilitate improved business environments and community attractions; and

**WHEREAS**, feasibility studies have been completed concerning the implementation of the program, including cost benchmarking planning, management investigation and targeting services to be provided; and

**WHEREAS**, Pioneer Career and Technology Center Adult Education and North Central State College have agreed to apply for grant monies through the Innovation Grant to offset costs involved with this merger;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of North Central State College extends its full support to the Local Government Innovation Fund grant application to fund a management project for the joint workforce development efforts of NCSC and PCTC. The two institutions have a long history of working well together and the Board expects this relationship to continue and to flourish through the establishment of a merger in workforce development efforts.

ROLL CALL – Aye: 4  
Nay: 0  
Abstain: 1

North Central State College  
Board of Trustees  
March 28, 2012

Certified by:

  
\_\_\_\_\_  
Stephen R. Williams, Recorder

**Memorandum of Understanding  
Between  
Pioneer Career and Technology Center  
And  
North Central State College**

This Memorandum of Understanding ("The Agreement") is entered into this 9<sup>th</sup> day of April, 2012, at Shelby, Ohio by and between the following parties:

**Pioneer Career and Technology Center**, 27 Ryan Road, Shelby, Ohio 44875

**North Central State College (NC State) Workforce Development**, 175 Mansfield Avenue, Shelby, Ohio 44875

**Term of Agreement:** This agreement shall be in effect for a one year term, from April 9, 2012, through April 30, 2013. This agreement may be automatically extended for one year periods if a new agreement is not completed by January 20 of each year.

**Scope of Agreement:** This agreement outlines respective responsibilities of Pioneer Career and Technology Center and NC State in an arrangement, which involves the merger of workforce development operations at both institutions. In order to better serve area residents and reduce operation expenses for the individual operation, the two entities have agreed to merge workforce development operation. This arrangement allows for a single point of contact for adult workforce development for area companies seeking training for their employees and individuals interested in advancing their career opportunities.

Pioneer Career and Technology Center on behalf of both institutions has engaged a consultant, Mr. Tom Applegate to help advise both institutions on potential models of integration. That work will further define the details of our obligations to each other. In general terms however, *Duties will be divided as follows:*

Pioneer Career and Technology Center

1. Will provide staff to support goals and objectives approved by the combined entity's advisory board.
2. Will provide facilities and equipment to support the combined entity including, office space, technology support, and classroom and meeting space as needed.
3. Will provide necessary registration and/or coordination to enroll students in courses at Pioneer Career and Technology Center and NC State Kehoe Center for Advanced Learning.
4. Will facilitate the operation of courses/programs at Pioneer Career and Technology Center, when deemed appropriate, to train at the Pioneer facility.
5. Will provide specialized equipment, replacement of equipment, special laboratory furnishings, materials, textbooks and supplies necessary to conduct programming at Pioneer Career and Technology Center.

6. Will provide billing and reporting services as dictated by the Board of Regents and Ohio Department of Education for Workforce Development Training.
7. Will provide sufficient facilities and space, when appropriate, to operate a Workforce Development Training program.
8. Will coordinate services with NC State College to collect and maintain all pertinent student information, attendance records, etc. necessary to comply with reporting requirement of the Board of Regents and the Ohio Department of Education.
9. Will collect, when appropriate, any program fees, textbook fees, etc.
10. Will assist students with financial aid requirements when necessary.
11. Will maintain the appropriate staffing to operation programs/courses at Pioneer Career and Technology Center.

#### North Central State College

1. Will provide staff to support goals and objectives approved by the combined entity's advisory board.
2. Will provide budgetary and business office services for the combined entity.
3. Will provide necessary registration to enroll students in courses at NC State Kehoe Center for Advanced Learning.
4. Will provide students enrolled in an approved NC State class, full privileges afforded to all students (use of library, student union hall, student service, etc.)
5. Will provide facilities and equipment to support the combined entity including, office space, technology support, and classroom and meeting space as needed.
6. Will review faculty credentials and approve teaching in programs offered for credit.

**Mission of the Combined Entity:** The primary goal of the agreement is to provide excellence in workforce training to area businesses and citizens.

#### **Goals of Agreement:**

1. Meet industry and business training needs.
2. Teach relevant skills to area residents.
3. Operate as a source of revenue for each institution.

**Payment:** The merged workforce development operation will share revenue and expenses equally based on facility use and staff involvement.

**Subject to Appropriation:** It is understood that any and all expenditures of Pioneer and NC State funds are contingent on the availability of lawful appropriations by the Ohio General Assembly. If the district treasurer determines at any time that the General Assembly failed to continue funding for the payments and/or other obligations that may be due hereunder, the Pioneer's obligations under this contract are terminated as of the date that the funding expired without further obligations of Pioneer or NC State.

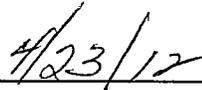
**Indemnification:** Each party agrees to be responsible for any personal injury or property damage caused by the negligent acts or negligent omissions by or through itself or its agents, employees and contracted servants and each party further agrees to defend itself and themselves and pay any judgments and costs arising out of such negligent acts or negligent omissions, and nothing in this Agreement shall impute or transfer any such responsibility from one to the other.

**Controlling law:** This agreement and the rights of the parties hereunder shall be governed by the laws of the State of Ohio and only Ohio courts shall have jurisdiction over any action or proceeding concerning the Agreement and/or performance thereunder.

**Termination of Agreement:** Either party may terminate this agreement with a 120-day written notice although such termination will not occur until current courses are completed.



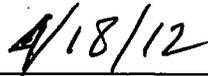
Glenna Cannon,  
Superintendent  
Pioneer Career and Technology Center



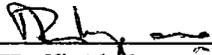
Date



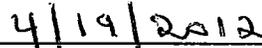
Donald L. Plotts  
President  
North Central State College



Date



Koffi Akakpo  
Vice President for Business and Administrative Services  
North Central State College



Date